

17th ANNUAL REPORT

January - December 2010



Dear Shareholder

I am presenting this fourth annual report of the company since 2007, at the end of a very challenging year for the company.

Adverse weather conditions in Thailand and a drastic reduction in the sunflower acreage across the world were the major factors which contributed to the low financial results of this year. Fortunately both these factors have corrected themselves in 2011 and hence were temporary setbacks.

We acquired the business of a well-known sorghum seed company called Crosbyton Seed Company in Texas, USA at the beginning of this year. We are very happy with this acquisition which has strengthened our position considerably in the sorghum markets of US and Mexico.

As Australia recovered from the unprecedented drought of 2009, our sorghum business got a big boost during this year. We have registered 36% growth in sorghum business during this year. We introduced our sorghum hybrids for the first time in Africa with excellent results. Argentina recorded a good growth in sorghum this year. We have undertaken a new initiative to promote high quality forages in India and we are getting very encouraging results.

In spite of the very poor business we had in Thailand during this year we could record a 13% increase in our global corn business due to an excellent off take of our products in the International markets. We continue to do well in the tropical corn markets as our breeding program in Thailand is bringing out winning products. The latest product PAC 339 is catching the attention of the market in Thailand.

Another crop which did very well in 2010 is Canola. We recorded a whopping 69% growth in this crop due to an excellent performance in Australia. The counterpart of Canola, the Indian Mustard also showed an excellent growth of 70% in India. Between the two of them they have given us a tremendous boost in the Brassica markets.

Our Argentinian business ran on course in spite of adverse weather conditions and reduction in sunflower business. They created some new opportunities and enhanced their business. We integrated the front end of our operations in Argentina with UPL and this has given us some benefit in terms of market penetration.

The sorghum markets in US were flat and our business did have an adverse impact because of this. This situation is not likely to improve in 2011. The loss of revenue in sunflower, compared to 2009, was almost Rs. 100cr which had a major impact on our financials for this year. The commodity prices of sunflower came down and the acreage in the markets we operate reduced by almost 50%. Thankfully the sunflower prices have gone up now and we are already getting a good demand for our products in 2011. So the situation will change in this year.

Thailand had a severe drought followed by floods in many parts of the country in this year. The net result was a loss of almost Rs. 30cr in revenue compared to 2009. Here also the situation has changed completely and 2011 business has looked up.

Nutrisun oil continues to be accepted by more and more customers. We have considerably diversified production and customer base from Argentina to US and Europe. We are expecting to take some major strides in this business in the next two years.

The Longreach wheat program has brought out two high performing wheat varieties into the market which have been very well accepted. These varieties will help us to gain a good penetration of the Australian wheat market.

Our vegetable seed business is bringing out some very interesting products particularly in tomato. These products will help us to gain market share. Our sweet corn business has grown by more than 31% and it has made deep inroads into some of the South East Asian markets.

During the year we carried out a restructuring of our operations in Australia which resulted in a head count reduction of 27 and a major reduction in employee costs. Similarly in India we have cut down on manpower and pruned our fixed costs down significantly. Both these actions will help us in the future with reduced fixed costs.

We continue to invest in research and create intellectual property which will give us benefit in the long run. We are no doubt sacrificing current profits for this purpose but this is a necessary investment for us to stay competitive in the market.

Overall it has been a very challenging year. We are very sure that the setbacks are temporary and the investments we made in creating longer term value for our business will stand us in good stead.

We thank you for your understanding and for your support. We are hopeful of bringing more positive results in future with your continued support.

Your's Sincerely

V.R. Kaundinya
Managing Director & CEO

ADVANTA TROPICAL CORN

Maize or Corn (*Zea Mays*) is a versatile cereal crop, grown in about 100 countries in tropical, sub-tropical and temperate regions of the world. Since 1960, global production has had trouble keeping up with demand. Global maize production stands at 791.285 MT from an area of 147.562 million ha. USA, Brazil, China and Mexico account for 70% of the production.

As the world's population grows, as demographics and food habits change we find ourselves in greater need for corn grain to satisfy the demand. It is projected that there will be an increase in global maize demand. In order to satisfy the growing demand seed supplying companies have been quick to introduce technologies to help the farming communities increase productivity and also to add value to their business. Global cereal demand in 2020 is estimated at 2.1 billion MT and will, for the first time, show a major shift in favour of maize. Demand for Maize is estimated at 852 million MT compared with 760 million MT for wheat and 503 million MT for rice. The greatest areas of growth will be in developing nations which are also mainly tropical maize producing nations. Industrial nations of the world such as the USA and the EU are projected to show the least areas of growth. Corn crops are advancing from low-tech commodities to high-tech, high-value, and high-demand products. Through science, technology and education seed companies are helping growers increase productivity in corn.

ADVANTA CORN BUSINESS



Today Advanta's space within the global corn industry is in the tropical sector. Advanta has what is considered to be "Elite" germplasm that outperforms the competition in many of the markets. With a relatively small R & D budget and number of breeding personnel compared to the large corn companies, Advanta has been able to hold good market share in certain markets.

Corn market value drivers :

- Market Access
- Germplasm Strength or ability to access germplasm in value markets
- Increased Yield
- Competitive trait requirements (Native and GM) – herbicide tolerance, insect and pest resistance, yield, Nitrogen Use Efficiency (NUE), Water Use Efficiency (WUE),
- Speed to market
- Seed and Grain quality
- Rising input costs

Advanta is moving very quickly to become a key player within the global Tropical corn arena. For the company to emerge as a leader it is imperative that the current elite germplasm is matched with new trait technology such as herbicide tolerance, insect resistance and Water Use Efficiency (WUE). There is very little doubt that the corn markets, especially in developing countries within Asia and LATAM, will continue to grow so that the need for self sufficiency within these regions can be met. Advanta currently has an excellent portfolio of products that has a good fit and presence in the regions of East Asia, South East Asia, and South Asia. Areas that offer further opportunities are: Latin America – Argentina (temperate germplasm with traits), Brazil, Colombia, Equador, Mexico and Guatemala; West Asia / North Africa and Sub Saharan Africa.

| THAILAND – CENTRE OF EXCELLENCE FOR TROPICAL CORN

Our main research station of tropical corn is located in Lopburi, Thailand. Pacific Seeds, Thailand, one of the subsidiaries of Advanta has been producing high yielding tropical hybrids for more than 15 years. The breeding team has put lot of effort to develop elite corn germplasm. The hybrids with high yield, good stability, high shelling percentage and adaptability to diverse environments make them suitable to be launched successfully in most of the south and south eastern Asian countries.

We are working on development of hybrids that have good adaptation in the high altitude regions (200- 400 m above sea level) and development of hybrids with downy mildew and Northern Corn leaf blight resistance.

| TECHNOLOGY

Transgenic corn (herbicide tolerance, insect resistance) is commercially being sold in Tropical corn countries - Philippines and Brazil. Advanta is collaborating with technology providing companies to develop market driven transgenic tropical corn hybrids in these countries. Research also is focusing on the development of corn hybrids with agronomic traits like Water use efficiency, Nitrogen use efficiency, salt tolerance and yield enhancement. Advanta also has research projects and associations in these areas.



| BOOSTING FIELD CORN BUSINESS IN THAILAND

Advanta's market share in the highly competitive corn market in Thailand has reached to 15% in 2010. The successful application of dihaploid technology has enabled Pacific Seeds Thailand to gain a good position in enhancing its corn market share through winning hybrids being developed and launched on a full scale from 2010 onwards. Presently, PAC 339, PAC 313 and PAC 999 S are emerging as winners. Future research will concentrate on developing hybrids for mountain segment, incorporating improved tolerance to downy mildew and Northern corn leaf blight in the current hybrids. Customer survey of a large number of farmers gave the following feedback about our hybrids -High yield, Good root and stalk system, Attractive grain color, Good germination, Drought tolerance, Good tip fill, Disease resistance, Good husk cover and easy to harvest.



Introduction of Field Corn PAC 339 at Bannaluang, Phrae Province in April 2010



Introduction of new Field Corn PAC 339 & 313 at Baanwangnamyen, Petchaboon Province in April 2010



| INCREASING PRESENCE IN INDONESIA

Advanta established its own subsidiary in Indonesia during 2009, after several years of extensive testing of tropical corn and sweet corn hybrids and finding a good level of success in that market. We currently have four tropical corn hybrids - PAC 984, PAC 224, PAC 759 and PAC 105 and two Sweet corn hybrids - Hybrix 3 and Hybrix 10 - registered for commercial sales in Indonesia. As a part of the strategy in making Indonesia the production hub in South - East Asia, we have started the first production of PAC 984 and PAC 105 for commercial sales. Our future plan is to introduce hybrid Paddy and Vegetable seeds in addition to new sweet corn and field corn hybrids.

CONCLUSION

Advanta plays an important role in the global tropical corn markets. Yield and ability to adapt to diverse climatic conditions are the most important factors in the development and competitive placement of Advanta's tropical corn. Advanta research and product development is actively working on many factors that make up yield and adaptation. Advanta is continuing to enhance its products and technologies to deliver higher value to the farmers.

Today tropical corn is the third largest crop in Advanta's crop portfolio. With great germplasm and right alliances in place combined with the right resources the Advanta tropical corn business is poised to triple by 2015. Advanta is working hard to make the company appreciated by the farmers as a supplier of high quality products supported by elite germplasm and latest technology.

CSR INITIATIVES UNDERTAKEN BY ADVANTA

Pacific Seeds, Australia (Subsidiary of Advanta India)

Supporting the McGrath Foundation

The McGrath Foundation provides funding for McGrath Breast Care Nurses nationally, with particular emphasis on rural and regional areas across the country, as well as increasing breast screening awareness in young Australian women.



The McGrath Foundation is proud to have 54 McGrath Breast Care Nurses working in communities right across Australia, having placed an additional 46 McGrath Breast Care Nurses since June 2008.

Breast care nurses are specially trained registered nurses who act as patient advocates, coordinating care for women with breast cancer, their families and their carers. They provide accurate information, support and referral to services.

It costs approximately \$350,000 to employ each full-time McGrath Breast Care Nurse over a three year period.

In Pacific Seeds region McGrath Breast Care Nurses are located in – Warwick, Dalby, Roma, Kingaroy, Gympie, Bundaberg, Moree, Armidale and Grafton.

This season Pacific Seeds donated \$1 per bag for all summer crop seed sold. This will provide a significant contribution to the funding of additional breast care nurses. Under this program Pacific Seeds handed over a cheque of \$ 50000 on 16th March, 2011 to the Foundation.

This is a very worthy cause and we are very proud to be associated with the McGrath Foundation.

Advanta Argentina

ADVANTA CARES FOR PEOPLE

The government of Balcarce, the city where the Biotech Center of Advanta Semillas Argentina is located, expressed through a letter the need to operate with a breathalyzer to achieve more effective results regarding the car accidents prevention policy implemented. From our internal resources of UPL holding we generated the availability of this equipment and gave a positive answer to the Government's request.

Under the current global economic situation, the government would have found it difficult to rely on this resource. Although Advanta is part of this tough economic reality, it managed to deliver to local authorities two breathalyzers last February.. This shows Advanta's commitment to the communities where its research and business units operate and at the same time, how it cares about the safety of its employees and communities where they live.

In Advanta Semillas, Argentina the CSR program consists of various activities being carried out for the communities:

- Donation of bags of seed to different entities (Agrotechnical College in Venado Tuerto, Murphy Club and Parish)
- Donation of Fuel to Safety patrols (Brigade Addiction Prevention and Control, City Police, Forensic Science and Highway Patrol in Venado Tuerto)
- Donation of money to the Fire Department (Murphy)
- Participation in Cluster Seed (Venado Tuerto) Promote actions to improve the competitive position of the group of actors that make up the value chain of the seed business.
- Financial Support to "Fundación DarseCuenta" driven by AAPRESID Foundation (Argentina Association of Producers), AACREA (Argentine Association of Consortiums for Agricultural Experimentation) and ACTA (Association of Chambers of Agricultural Technology) and supported by companies related to agricultural activity.
- The main objective of this new entity is to integrate different sectors of the community to awake in people the awareness and understanding of issues that help to improve their social and economic status.
- Financial support to "Fundación Loreto" (Santiago del Estero) a nonprofit organization that help people living in extreme poverty. The Civil Partnership Loreto Foundation is self-financed through the efforts of its partners.
- Financial support "Project 10" (Balcarce) a civil nonprofit corporation whose goal is to satisfy the basic needs of children in Balcarce. They practice the solidarity without political or religious involvement tied to the project. They base actions with anonymous donations from neighbors and businesses in the city within a framework of dignity with the voluntary work of parents of children with unmet basic needs.
- Collaboration and participation with the entity of Commerce and Industry (Junin).

Pacific Seeds, Thailand (Subsidiary of Advanta)

For our "35 years Anniversary campaign 2010" for every 1 kg of domestic sales we donate 0.50 baht to support the Charity funds projects of Her Royal Highness Princess Maha Chakri Sirindhorn.



We will present our contribution under this program for 2011, a total of 1,272,072 TBH to Her Royal Highness Princess Maha Chakri Sirindhorn on March 30th, 2011

Our staffs have made blood donation to support the Thai Red Cross Association in August, 2010 on occasion of H.M. the Queen's Birthday and in December, 2010 for H.M. the King's Birthday.



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17th ANNUAL GENERAL MEETING

Date : 29th April, 2011
 Time : 11.30 A.M.
 Venue : "Earthen Oven" Fortune Park Vallabha,
 Road No. 12, Banjara Hills,
 Hyderabad - 500034

BOOK CLOSURE

Tuesday, 19th April, 2011
 To
 Friday, 29th April, 2011
 (both days inclusive)

BOARD OF DIRECTORS

1.	Mr. Jaidev R Shroff	-	Chairman
2.	Mr. V. R. Kaundinya	-	Managing Director
3.	Mr. Vikram R Shroff	-	Non Executive Director
4.	Mr. Vinod Sethi	-	Independent Director
5.	Mr. Vasant P. Gandhi	-	Independent Director
6.	Mr. Hardeep Singh	-	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pushpalatha K

AUDITORS

SR Batliboi & Co.

Chartered Accountants
Mumbai.

BANKERS

AXIS Bank Ltd.
HDFC Bank Ltd.
HSBC Bank Ltd.
ICICI Bank Ltd.
ING Vysya Bank Ltd.
SYNDICATE Bank Ltd.
YES Bank Ltd.

REGISTERED OFFICE :

Krishnama House,
8-2-418, 4th Floor,
Road No. 7, Banjara Hills, .
Hyderabad – 500034,
Andhra Pradesh, India.

CORPORATE OFFICE :

“Unicorn House”
Plot No. 3-5, # 157/5, Balaji Enclave,
Transport Road, Near Gunrock,
Diamond Point, Secunderabad - 500009
Andhra Pradesh, India.

PLANTS

1. B Camp Post, Krishna Nagar, Kurnool, Andhra Pradesh
2. Kalakkal Village, Toopran Mandal, Medak Dist., Andhra Pradesh
3. Bharati Brahma Seeds, Nutankal Village, Medchal Mandal, Gundla Pochampally, Ranga Reddy District, Andhra Pradesh
4. Plot No. 110, Sec. 57, Phase – IV, Industrial Estate, Kundali, Sonapat, Haryana

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited.
Samhita Complex, Gala No. 52 to 56
Building No. 13A-B, Near Sakinaka Telephone Exchange
Andheri-Kurla Road, Sakinaka, Mumbai - 400 072. India

NOTICE

Notice is hereby given that the 17th Annual General Meeting (AGM) of the members of Advanta India Limited will be held as scheduled below:

Day & Date : Friday, 29th April, 2011
Time : 11.30 A.M.
Venue : "Earthen Oven" Fortune Park Vallabha,
Road No. 12, Banjara Hills, Hyderabad - 500034.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at December 31, 2010 and the Profit and Loss Account for the financial year ended on that date along with the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinod Sethi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hardeep Singh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s SR Battliboi & Associates, Chartered Accountants, (ICAI Registration No.101049W) as Statutory Auditors of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration.

By order of the Board of Directors
For Advanta India Limited

Date: 28.02.2011
Place: Hyderabad

V.R. Kaundinya
Managing Director

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
3. Members / proxies should bring duly filled attendance slips attached herewith to attend the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
5. The Register of Directors shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
6. The Register of Members and Share Transfer Books will remain closed from 19th day of April, 2011 to 29th day of April, 2011 (both days inclusive).
7. Members wishing to claim previous years' dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.

8. Members are requested to address all correspondences including dividend matters, to the Registrars and Share Transfer Agents, Sharepro Services (India) Pvt. Ltd., Unit: Advanta India Limited, Samhita Complex, Gala No. 52 to 56, Building No. 13A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai - 400 072, India.
9. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, or to the Company at its Registered Office. Members holding shares in dematerialized form are requested to notify/send any changes in their address to the concerned depository participant (s).
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
12. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
13. Additional information on Directors being appointed/re-appointed as required under Clause 49 (IV)(G) of the listing agreement with the Stock Exchanges is given below:

At the ensuing 17th Annual General Meeting, Mr. Vinod Sethi and Mr. Hardeep Singh, Directors retire by rotation and being eligible offer themselves for re-appointment.

MR. VINOD SETHI

Profile and expertise in specific functional areas.

- Mr. Vinod Sethi, 48, an Indian national, is an Independent and Non Executive Director on the Board. Vinod Sethi is an alumnus of the Indian Institute of Technology, Mumbai from where he graduated with a degree in chemical engineering.
- He is also an alumnus of the Stern Graduate School of Business of New York University from where he graduated with a masters degree in business administration with a specialization in finance.
- He has served with the Indian business division of Morgan Stanley for 12 years as its chief investment officer and was appointed as its managing director in 1995.
- He has also served as the chief investment officer for Morgan Stanley Asia.
- Vinod Sethi has considerable experience in investing in secondary markets, initial public offerings, pre-initial public offerings, private equity and early stage financing. Presently, Vinod Sethi is running his own investment firm.

Companies (other than Advanta) in which Mr. Vinod Sethi holds directorships and committee memberships:

S.No.	Director	Member/Chairman of Board committees
1.	Geodesic Limited	Compensation Committee - Chairman Compliance Committee - Chairman Audit Committee - Member Remuneration Committee - Member Sexual Harassment Prevention Committee- Member
2.	GTL Limited	Audit Committee - Member Remuneration Committee - Member Nomination Committee - Member
3.	United Phosphorus Limited	None
4.	ITZ Cash Card Ltd	None
5.	GG Dandekar MachineWorks Ltd.	Audit Committee- Member
6.	Subex Ltd	Remuneration Committee - Chairman Audit Committee - Member General Management Committee - Member ESOP Committee - Member

7.	Axsys Health Tech Limited	Audit Committee- Member Remuneration Committee- Member Compensation Committee- Member
8.	KCP Sugars Agricultural Research Farms Limited	Audit Committee-Member Remuneration Committee-Member
9.	Mount Everest Mineral Water Limited	Audit Committee-Member
10.	ISMT Ltd.	Audit Committee- Chairman Investor Grievances Committee – Member
11.	Durgamba Investments Pvt Ltd.	None
12.	Sethi Funds Management Pvt Ltd.	None

Shareholding in the Company : Nil

MR.HARDEEP SINGH

Profile and expertise in specific functional areas.

- Mr. Hardeep Singh, 56, an Indian national, is an Independent and Non Executive Director on the Board. Hardeep Singh holds a bachelor's degree in economics from Pune University
- He is also an alumnus of the Kellogg School of Management, where he completed the advanced management programme.
- He has 30 years experience in agri-business. He has been involved in the business of commodity trading and agri inputs and outputs.
- He has been the director (agrochemicals) at Rallis India Limited and the chairman of Cargill Seeds Private Limited. Since 1998 he has been the chairman of Cargill India, responsible for all Cargill companies and businesses in India and Pakistan.
- Hardeep Singh also currently sits on the board of directors of Punjab Tractors Limited and Cargill India Private Limited.

Companies (other than Advanta) in which Mr. Hardeep Singh holds directorships and committee memberships:

S.No.	Director	Member/Chairman of Board committees
1.	Swaraj Engines Limited	Remuneration Committee - Chairman
2.	HSBC Invest Direct [India] Limited	Audit Committee - Chairman Compensation Committee - Chairman Share Transfer and Investor Grievance Redressal Committee - Chairman
3.	HSBC Invest Direct Securities [India] Limited	Compensation Committee - Member
4.	Investsmart Financial Services Limited	Audit Committee - Chairman Compensation Committee - Chairman Nomination Committee - Chairman
5.	Agresource Management Pvt. Ltd.	None

Shareholding in the Company: Mr. Hardeep Singh holds 5000 equity shares of the Company as on 31st December 2010.

By order of the Board of Directors
For Advanta India Limited

Date: 28.02.2011
Place: Hyderabad

V.R. Kaundinya
Managing Director

DIRECTORS' REPORT

To,
The Members

We are pleased to present the 17th Annual Report on the business and operations of your Company.

The financial highlights for the year under review are given below:

<i>Description</i>	<i>Consolidated (Rs. In Lacs)</i>		<i>Stand Alone (Rs. In Lacs)</i>	
	Current Year	Previous Year	Current Year	Previous Year
<i>Sales Including other Income</i>	70652.07	69,834.04	14052.22	11,008.25
<i>Earnings Before interest, Tax Depreciation and Amortization</i>	7135.96	10,081.04	(248.11)	(1541.89)
<i>Exceptional Items</i>	(1362.50)	--	--	--
<i>Profit / (Loss) Before Tax (PBT)</i>	(3161.72)	1663.96	(2976.14)	(4,328.19)
<i>Profit / (Loss) After Tax (PAT)</i>	(2967.70)	2520.03	(2976.14)	(4,143.00)
<i>Profit / (Loss) After Tax (Net of Minority Interest & prior period adjustment)</i>	(2745.29)	2,705.03	(2976.14)	(4,143.00)
<i>Add: Balance brought forward from previous Year</i>	16399.50	13,891.51	195.57	4,535.60
Surplus Available for Appropriations	13654.21	16,596.54	(2780.57)	392.61
Appropriations				
<i>Proposed Final Dividend</i>	--	168.42	--	168.42
<i>Tax on Dividend</i>	--	28.62	--	28.62
<i>Transfer to General Reserve</i>	--	--	--	--
<i>Balance Transferred to Balance Sheet</i>	13654.21	16,399.50	(2780.57)	195.57
TOTAL	13654.21	16,596.54	(2780.57)	392.61

Conversion rates as on 31st December, 2010:

For Balance Sheet items (Closing Rate)	For Profit & Loss Account (Average Rate)
1USD = Rs. 44.76	Rs. 45.65
1AUD = Rs. 45.58	Rs. 43.73
1EURO = Rs. 59.84	Rs. 63.46
1THB = Rs. 1.49	Rs. 1.44
1IDR = Rs. 0.00497	Rs. 0.00493
1BRL = Rs. 26.97	Rs. 26.86

OPERATIONS

During the year, the Company has recorded a consolidated total income of Rs. 70,652.07 lacs as against Rs. 69,834.04 lacs for the previous year, which is 1.17% higher than that of the previous year. The consolidated loss after tax stood at Rs. 2,745.29 lacs for the current year as against profit after tax of Rs. 2,705.03 lacs for the previous year.

The business of the company performed very well in Australia and Argentina during the year. The performance of sorghum, canola, mustard and sweet corn crops during the year was excellent. Adverse weather conditions contributed to lower performance in Thailand which pulled down the performance of corn as a crop. Global sunflower markets were under tremendous pressure during the year because of which the sunflower seed sales of the company, particularly in Africa, Pakistan and India were adversely affected. The company carried out restructuring activities in Australia wherein the employee strength was optimized. This should help the company in reducing operating costs in 2011. During the year, the company acquired the business of an established sorghum seed company called Crosbyton Seeds in Texas, USA. This acquisition helps the company to increase its market share in US sorghum markets by a wide margin. The first commercialization of Nutrisun oil took place during the year. The product has made an impact with some of the customers and we are expecting a bright business development to take place in the future.

As stipulated in the Listing Agreement with the Stock Exchanges, the consolidated financial statements have been prepared by the Company in accordance with the relevant accounting standards issued by the Central Government under Companies (Accounting Standards) Rules, 2006. The audited consolidated financial statements together with Auditors' Report thereon form part of the Annual Report.

FUTURE OUTLOOK

The weather conditions have come back to normal in Australia and Thailand. As such we are expecting a conducive weather for 2011 business. The agricultural commodity prices have started looking up on all fronts. This should help our business prospects in 2011. The development of high quality forage market is taken up by the company in India with products like Nutrifeed and Sorghum BMR 6. This segment has a very bright future. The prospects in the hybrid mustard market look very bright. The company has started new sunflower breeding programme in France and a new corn breeding programme in Brazil. These investments should give the company considerable advantage in new markets like Europe and Brazil in future. The company is investing in developing sorghum market in Africa which should give very good returns in the medium term. Similarly the strong performance of tropical corn hybrids of the company are being taken to new countries in the Asian region which should help the company in expanding the business in future. The company has made considerable progress in some of the Latin American countries like Mexico, Colombia, Bolivia, etc with sunflower, corn and sorghum and these investments are expected to yield rich results in future. Development of sunflower markets in Europe and CIS countries is going at a rapid pace. Introduction of GM traits into the company's products has been moving at high speed particularly in corn, canola, cotton and other crops. This should help the company to participate effectively in this fast growing market. The wheat breeding programme in Australia has started seeing commercial success of the products and this is expected to pick up speed in the next few years.

DIVIDEND

The Board of Directors do not recommend any Dividend for the Financial Year ended 31st December, 2010 in view of the loss incurred during the said year. As such, no amount is proposed to be transferred to General Reserve.

SUBSIDIARIES

As on date, your Company has five direct subsidiaries: Unicorn Seeds Private Limited - India, Advanta Holdings B.V. - Netherlands, Advanta Seeds International – Mauritius, Advanta Seeds Limited - India, PT Advanta Seeds Indonesia - Indonesia. We have ten step-down subsidiaries: Advanta US Inc. – U.S.A., Advanta Netherlands Holdings B.V. - Netherlands, Advanta Finance B.V. – Netherlands, Advanta International B.V. – Netherlands, Pacific Seeds Holding (Thailand) Ltd – Thailand, Advanta Comercio De Sementas LTDA – Brazil, Pacific Seeds Pty. Ltd. – Australia, Advanta Semillas, SAIC – Argentina, Pacific Seeds (Thai) Ltd. – Thailand, Long Reach Plant Breeders Management Pty. Ltd. – Australia.

Pursuant to the provisions of Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss account and other documents of its subsidiaries along with its Balance Sheet.

However, the Ministry of Corporate Affairs, Government of India has granted approval that the requirements to attach various documents in respect of subsidiary companies, as set out in section 212(1) of the Companies Act, 1956 shall not apply to the Company. Accordingly, the Annual Report does not contain the Balance Sheet, Profit and Loss account, Directors' Report and other documents of these subsidiaries. However, the Company has attached the consolidated financial statements duly audited by the Auditors for the year ended 31st December, 2010. The Audited consolidated

statements of your Company form part of the Report as per Accounting Standard - 21. Abridged Financial Information of Subsidiaries is attached herewith. The Annual Accounts of the subsidiary Companies and the related detailed information will be made available to the holding and subsidiary companies investors seeking such information at any point of time. Further, the Annual Accounts of the subsidiary Companies will also be kept for inspection by any investor in its head office and that of the subsidiary companies concerned. Further, Statement as required under Section 212 in respect of Subsidiary Companies is annexed to this Report.

CASH FLOW ANALYSIS

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement entered into by the Company with the Stock Exchanges is annexed hereto.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Associates and with reference to Clause 32 of the Listing Agreement, your Directors present the Audited Consolidated Financial Statements in the Annual Report.

MODERNISATION / EXPANSION PROJECTS

The company is investing in expanding the biotech laboratory in Hyderabad and at Balcarce, Argentina. These investments will help in increasing the capacity in modern technology areas like molecular markers and transformation of crop with GM traits. Investments are made in strengthening processing facilities in Thailand and US.

ACQUISITION

As reported previously, the acquisition of 100% of the Assets and Business of Crosbyton Seed Company ("CSC") Crosbyton, Texas, USA has been completed. The said acquisition has yielded good business results.

RESEARCH & DEVELOPMENT

The company continues to invest heavily in research. During the year about 12% of the revenue was invested in research and development. There has been a significant increase in the research outlay of the company in the last three years, the results of which will come in the future. We are investing in increasing the speed of our breeding program by using modern tools like molecular breeding. New breeding stations are set up in Toulouse, France (for sunflower) and Brazil (for Corn) which will give the company considerable depth in these crops in the future. The vegetable breeding program in India has been strengthened considerably and along with the sub station in Egypt, this program is expected to change the profile of our vegetables range in the next 2 - 3 years. There has been a change in the leadership of the research function in the company and a new thrust is being given by the new leadership to bring about greater rigour into the commercial aspects of the research program that the company is undertaking.

The Company has incurred revenue expenditure of Rs. 6,623.20 lacs (LY: Rs. 5,013 lacs) during the year in addition to capital expenditure.

ESOP SCHEME & CAPITAL STRUCTURE

The Advanta India Limited Employees Stock Option and Shares Plan 2006 ("Plan") implemented by the company in the year 2006 to reward and motivate its employees for better performance is in force. The company has issued and allotted 10,351 Equity Shares of Rs. 10/- each during the financial year ended 31st December 2010 and 2223 Equity Shares of Rs. 10/- each on February 28, 2011 against the exercise of options. The paid-up-capital of the Company as on date is Rs. 168,542,120/- (Rupees Sixteen Crores Eighty Five Lakhs Forty Two Thousand One Hundred and Twenty only). The particulars of shares allotted during the year are as follows:

Date of Allotment	Name of the Allottees	No. of Shares	Date of Listing	
			BSE	NSE
13.08.2010	C H Mruthyunjaya	1361	13.12.2010	03.09.2010
	Christopher Bazley	683	13.12.2010	03.09.2010
	P.M. Nanjappa	1365	13.12.2010	03.09.2010
	V. R. Kaundinya	3345	13.12.2010	03.09.2010
10.11.2010	Howard Charles Morris	3345	13.12.2010	14.12.2010
	Scott Gibson	252	13.12.2010	14.12.2010
	Total	10351		

NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has issued Non-Convertible Debentures of Rs.375 Crores in two tranches, i.e. of Rs.250 Crores on 13th March, 2010 and Rs.125 Crores on 25th September, 2010 in Demat mode. The said Debentures are listed in Wholesale Debt Segment of the BSE and presently the said Debentures are permitted for trading under Debt Segment of BSE.

COMMERCIAL PAPER

In January 2011, the Company has issued Commercial Paper (CP) for Rs.15 Crores, i.e., 300 units of Rs.5 lacs each in Demat mode, having a tenor of 364 days, wherein M/s Axis Bank Ltd., Begumpet, Hyderabad has been appointed as Issuing and Paying Agent. The said Instruments were rated "PR1+ (SO) by CARE, the Credit Rating Agency.

WITHDRAWAL OF DRAFT LETTER OF OFFER (DLOF) – RIGHTS ISSUE

As the members are aware, the Company had planned to raise funds of about Rs.500 Crores through issue of securities on Rights basis. Since the then proposed Rights issue consisted of issue of compulsorily convertible preference shares and warrants convertible into Equity Shares to the share holders of the company including the persons resident outside India including FIIs and NRIs, the Company made an Application to FIPB to seek its approval. However, the said Authority did not accept the company's proposal on the grounds that the issue is not in conformity with the current permissible scope of FDI in agriculture for development of seeds.

In light of this and as advised by SEBI, the Company withdrew the Draft Letter of Offer (DLOF) filed with SEBI.

Further, the Company is revisiting on its fund raising plans and in this regard, an EGM is convened to be held on 17th March, 2011, wherein an enabling resolution is proposed for the consideration of the members, authorizing and empowering the Board to raise funds up to an amount of Rs.750 Crores

AUDITORS AND AUDITORS REPORT

M/s. SR Batliboi and Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to continue and confirmed that their appointment, if made will be within the limits prescribed under Section 224 of the Companies Act, 1956. Board of Directors recommends their appointment.

Statutory Auditors of the Company vide Para 7 in their report on Consolidated Financial Statements read with Note No.10 of Schedule 21 (Notes to Consolidated Accounts) have qualified the recognition of deferred tax assets with respect to the subsidiary Companies, i.e, Pacific Seeds Holding (Thailand) Ltd., Longreach Plant Breeders Management Pty Ltd., PT Advanta Seeds Indonesia, Advanta Comercio De Sementes Ltd., Pacific Seeds Pty Ltd., and Advanta Semillas SAIC stating that there is no sufficient virtual certainty to indicate that these companies will have sufficient taxable profits against which the unused tax losses can be utilized.

In this regard, your attention is requested to Note No.10 of Schedule 21 (Notes to Consolidated Accounts) on “recognition of deferred taxes” containing management’s opinion that the said unused losses can be utilized.

Auditors of the Company vide Clause 8 of their report on Consolidated Financial Statements have qualified their report about “segment reporting.”

Your attention is invited to Note No.15 of Schedule 21, wherein the management explained its view that providing the said information would be prejudicial to the interest of the Company.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Vinod Sethi and Mr. Hardeep Singh, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Board of Directors recommends their re-appointment.

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975, during the year under review.

EMPLOYEES STOCK OPTION PLAN (ESOP)

The Advanta India Limited Employees Stock Option and Shares Plan - 2006 (ESOPs) as approved by the Shareholders on 20th September, 2006 is in force. In accordance with the scheme, the Company reserved 1,68,000 Equity Shares for the employees of the Company and its subsidiaries on one to one basis at an exercise price of Rs. 285/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of options granted is conditional upon the employee’s tenor and upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Excise price) on the date of the grant was nil, no compensation cost has been recognized in the financial statements.

Disclosures as required under Clause 12 & 19 of the SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 are given as under:

Particulars	As at 31st December, 2010
Granted during the year	Nil
Pricing Formula	Black Scholes Formula
Vested during the year	17,876
Exercised during the year	10,351
Forfeited during the year	9,838
Lapsed during the year	17,839
Outstanding unvested at the end of the year	33,259
Exercisable vested options at the end of the year	65,809
Total number of options in force	99,068
Total No of Shares arising as a result of exercise of option (cumulative)	17,489
Variation of Terms of options	Nil
Money Realised by Exercise of options during the year	Rs. 29,50,035/-

Employee wise details of options granted during the year :	
(a) Senior managerial personnel-	Nil
(b) Any other employee who received a grant in the year, of options amounting to 5% or more of options granted during the year	Nil
(c) Identified employees who were granted options, during in the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of options calculated in accordance with Accounting Standard 20.	(Rs. 17.51)
The Difference between the employee compensation cost using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Rs. 17.39 Lacs
The impact of this difference on profit	Loss increased by Rs. 17.39 Lacs
Basic EPS of the Company.	(Rs. 17.67)
- Weighted average exercise price of options where exercise price is less than market price	Rs. 285/-
- Weighted average exercise price of options where exercise price is equal to or exceeds market price	-
- Weighted average fair value of options where exercise price is less than market price	Rs. 285/-
- Weighted average fair value of options where exercise price is equal to or exceeds market price	-
Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	
a) Risk free interest rate	7.50% per annum
b) Expected life	Vesting period + 18 months
c) Expected volatility	43%
d) Expected dividends and	1.40% per annum
e) The price of the underlying share in market at the time of option grant.	Unlisted Company

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on the Management Discussion and Analysis is provided as 'Annexure A' to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars as required under sub – section (1) (e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988, are provided in the 'Annexure B' to the director's report.

PERSONNEL

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder is provided in Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure is related to any Director of the Company and all the employments are contractual in nature.

“GROUP” FOR INTER SE TRANSFER OF SHARES

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“Regulations”) persons constituting “Group” (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the Provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the ‘Annexure C’ attached herewith and forms part of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

- i. That in the preparation of accounts for the period ended December 31, 2010, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii. That the selected accounting policies have been applied consistently and the judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That annual accounts for the year ended 31st December, 2010 have been prepared on a going concern basis.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company together with a certificate from the Company Secretary in practice confirming compliance is set out in the Annexure D forming part of this report.

DEMATERIALIZATION OF SHARES

It may be noted that the entire paid up equity share capital of the Company (except 2 equity shares) are held in dematerialized form as on 31st December, 2010.

LISTING

The Equity Shares of your Company continue to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). There is no default in payment of Annual listing fees.

Further, the Non-Convertible Debentures of the Company issued in Demat mode, are listed in Wholesale Debt Segment of the BSE and presently the said Debentures are permitted for trading under Debt Segment of BSE.

ACKNOWLEDGEMENTS

Your Directors extend their gratitude to various Government Agencies, Lender Banks, business associates/customers, vendors and Bankers for their continued support.

Your Directors place on record their sincere appreciation for the contribution made by the employees of the Company and its subsidiaries at all levels through their hard work, dedication, solidarity and support.

Last, but not the least, your Board place on record its gratitude to all its stakeholders for their sustained confidence in and association with the Company.

For and on behalf of the Board of
Advanta India Limited

Date : 28.02.2011
Place : Hyderabad

V.R.Kaundinya
Managing Director

Vikram R Shroff
Director

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structures and Developments

From a nation dependent on food imports to feed its population, India today is not only self-sufficient in grain production, but also has a substantial reserve. The progress made by agriculture in the last four decades has been one of the biggest success stories of free India. Agriculture and allied activities constitute the single largest contributor to the Gross Domestic Product, almost 33% of it. Agriculture is the means of livelihood of about two-thirds or 67% of the work force in the country.

A successful variety of seed is one with a total balance of traits that makes it more profitable for growers than any other one they might choose. Seed is a fundamental, crucial and yield enhancing input for sustained growth in farm production. In the last decade the role of agricultural biotechnology in enhancing the productivity of seeds has made a major difference to the value of the seed sector. The role of the seed sector is to ensure adequacy, seed quality and varietal diversity. The core business of Advanta is seeds and agricultural biotechnology. Advanta is a unique Indian Company that has global operations in seeds. Advanta is the largest sorghum seed company in the world today and has leadership position in some of the other crops like Sunflower, Tropical Corn, Mustard and Sweet Corn.

Advanta has taken giant strides in the last five years period to emerge as one of the fastest growing seed and biotech Companies in Asia Pacific, South America, NAFTA and Africa. It has sharp focus on its strategies, enhanced research investments, acquired six businesses around the world, and entered the vegetables seed business for the first time, made investment in biotech area, introduced first transgenic crops in India, Argentina and Australia. It has set up a global supply chain function and strengthened the organization considerably.

Opportunities and Threats

Growing population and changing food patterns due to increased prosperity as well as the changing environment, is now putting pressure on our agriculture. By 2050, the population of the world is likely to reach 9 billion and the population of India is likely to be at 1.63 billion. This increase in population will generate massive new demand for food, feed and fiber. At the same time the land used for cultivation is constant and water availability for agriculture is declining in most parts of the world including India. Agricultural land can be increased in a very few places and that too at the cost of forests - an unacceptable cost in today's world. To provide feed, fuel and clothes to our growing population, farm production must increase on a continuous basis through improvements in farm productivity.

The need for continuously increasing agricultural productivity is high on the priorities of many countries including India. This is possible only by increasing the genetic potential of the seeds on a continuous basis. Enhanced demand for biofuels and healthy oils is also pushing up the business prospects for some crops like sorghum and sunflower. Seed is the most critical input in this process. So, the demand for good quality hybrid seeds will keep increasing around the world particularly in Asia, Latin America and Africa. This is the biggest opportunity for Advanta.

Indian Agriculture presents an important opportunity for companies such as ours, that are focused on the long term value creation. Agricultural development through the seed sector could make India a prospective Agricultural commodity powerhouse of the world. An effective Indian seed industry with the capacity for a continuous supply of improved high quality seed varieties at competitive prices would serve as a catalyst to increase food, feed and fiber production and for sustained agricultural and socio-economic development of the country.

Use of biotechnology in agriculture is going up rapidly and is creating additional value for the farmers and the seed industry. This is another area of opportunity which Advanta is trying to tap into. The company has now got global exclusive licenses for some important GM traits like drought tolerance, salt tolerance and Nitrogen Use Efficiency for application in different crops

Segment-wise or product-wise performance

Business Segment:

The Company has considered hybrid seed business segment as the primary segment for disclosure. The Company is engaged in research, production and distribution of Hybrid seeds, which in the context of Accounting Standard 17, India is considered the only Business Segment.

Geographical Segment:

Our sales are predominantly generated from international markets contributing about 85% to total sales and about 15% of the sales are generated from domestic markets. Secondary segmental information is based on the geographical location of the customers. The geographical segment have been disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customers located outside India.) The relevant information has been given at Para 8 under Schedule T, (Notes to Accounts)

Outlook

The Company remains focused on its key objectives of profitable and sustainable growth, maximizing operational efficiencies and striving to attain the highest standards of quality, safety and productivity through - continuous breeding research efforts, new product offerings, aggressive sales and marketing strategies, a strong brand, far-reaching distribution infrastructure and investments in people development, the Company is hopeful of maintaining its performance going forward. Efforts at offering better technologies, that provide better value to the farmer, while mitigating external risks, have been generally well received both by the Government and the farmer. Continued success in these efforts is critical to maintain these growth prospects.

We are approaching 2011 with a positive frame of mind. Rains are received in the Southern hemisphere and the agricultural situation is expected to improve. There is need for us to improve operational efficiencies of the business and to reduce cost, particularly in some subsidiaries.

Risks and Concerns

Agricultural activities are still greatly dependent upon the vagaries of the monsoon and upon soil conditions, availability of skilled labour, quality inputs and farm credit. Non-availability of adequate irrigation facilities in most parts of the country restricts the acreage and possibility of a 2nd crop in the year.

Macro economic factors like post recession effect, inadequate rainfall, subdued demand, political uncertainty and social upheavals and acts of god may also affect the business of your Company as also the industry at large. Government of India has been supportive of technology advancement and improvement in agriculture techniques in the country. The business of the Company is dependent on various laws, regulations and policies announced from time to time. Any developments in these areas affecting the freedom of the Company to operate may adversely affect the business and growth of the Company.

Apart from the quantum, timing and even distribution of rainfall are critical for the domestic business. The situation last year had not been so different from that of the previous year. Farmers' willingness and ability to spend will be an important driver to demand generation. Strong support produce prices and better availability of credit will ease the pressure on the farming community.

Internal Control Systems and their adequacy.

Advanta has a robust internal audit and control system which is a process overseen by the Board of Directors, Management and other personnel, and provides reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Companies internal Audit function is staffed with qualified and experienced people. The standard operating Procedures (SOPs) put in place by the company is in line with the best global practices, and has been laid down across the process flows along with authority controls for each activity.

Discussion on financial performance with respect to operational performance.

The Company has recorded a consolidated total income of Rs.70,652.07 Lacs as against Rs. 69,834.04 Lacs for the previous year, which is 1.17% higher than that of the previous year. The consolidated Loss after tax stood at Rs. 2,745.29 Lacs as against profit after tax of Rs. 2,705.03 Lacs.

The decline in profits is attributable mainly to higher cost of goods manufactured and interest cost. However, inspite of the fact that we had faced worst drought conditions in some part of Southern hemisphere followed by the similar situation in India, which was even worst as the drought was followed by floods, your Company could achieve a marginal growth on top line.

Material developments in Human Resources/Industrial Relations front including number of people employed.

The Company in its journey to enhance the Employee Satisfaction, Retention and Skills undertook several initiatives during this year. For sustaining objectivity in measuring employee contribution towards Company growth, Strategy Deployment Matrix as a tool was successfully deployed across the organization.

The Company provides need-based training to employees to develop their inherent skills and update them in a rapid changing scenario. Recognizing talent from the incoming manpower from acquisitions, integrating them into the mainline Advanta teams and utilizing their skills for improving the global business of the company have been done successfully by the company in the last several years. An atmosphere of cordial relations with the employees has prevailed in the organization all over the world.

Cautionary Statements

Statement in this Management and discussion analysis describing the company objectives, projections and estimates and expectations may be Forward Looking statements within the meaning of applicable laws and regulations. Actual may differ substantially or materially from those expressed or implied. Important development that could effect the company operations include a downward trend in the Domestic Industry, Monsoon, rise in input cost, exchange rate fluctuations and significant change in Political & Economic environment in India, environment standards, Tax laws, litigations and labour relations.

Information in accordance with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the period ended 31st December, 2010:

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken:

The seeds Operations of the Company do not involve substantial energy consumption and hence no significant energy conservation measures were undertaken during the year. However, on an ongoing basis, identification of any energy saving possibilities is carried out.

2. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

Presently there are no additional investments / proposals being implemented for reduction of energy consumption.

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods: N.A.

4. Total Energy consumption and energy consumption per unit of production: Not Applicable

5. Efforts made in Technology absorption as per Form B (Rule 2)

B. TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specified areas in which R & D carried out by the Company :

- Identification and development of superior, high yielding pest and disease resistant proprietary hybrids. Utilisation of the Molecular Breeding Technology to increase the speed and precision in the Breeding Programs.
- Development, testing and specification setting of packaging materials.

2. Benefits derived as a result of the above R & D :

- Cost reduction, import substitution and strategic resource management.
- Quality evaluation of seeds.
- Higher productivity and economic returns to the farming community consequent to development of high yielding Hybrids.
- Entering new market segments.

3. Future Plan of Action :

To continue and extend research in the above areas.

4. Expenditure on R & D :

(Rs. in Lacs)

Description	Standalone Current Year	Standalone Last Year	Consolidated Current Year	Consolidated Last Year*
Capital	32.35	189.94	121.30	324.59
Recurring	790.87	992.32	6623.20	5013.15
Total	823.22	1,182.26	6744.50	5337.74
R&D Expenditure as a % of Net Sales	8.12	11.55	10.32	8.20

*The expenditure given above does not include the amount spent on Nutrisun project.

5. Technology absorption, adaptation and innovation :

(a) Efforts, in brief, made towards technology Absorption, adaptation and innovation:

Utilization of technical know-how towards development of high yielding proprietary hybrids suitable for Indian agro-ecological environment.

(b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc:

Product improvement and development leading to cost reduction by introduction of high yielding superior quality disease and pest resistant hybrids.

(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- i) Details of technology imported : Technical know-how relating to seeds.
- ii) Year of Import : Technology upgradation takes place on a continuous basis during the year
- iii) Whether the technology has been Fully absorbed : Yes
- iv) Future plans of action : To continue ongoing research

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. **(a) Activities relating to exports** : Export of various Hybrid Seeds
- (b) Initiatives taken to increase** : Started producing seeds for our other subsidiaries taking advantage of the low cost of production in India.
- (c) Export plans** : Company is having ambitious export plan of hybrid seeds in the year 2011 by exploring the possibilities of taking production of hybrid seeds in India on behalf of overseas Buyers.

2. Foreign Exchange used (on stand-alone basis)	:	Current year (Rs. in Lacs)	Previous year (Rs. in Lacs)
Consumables	:	0.00	4.30
Capital Expenditure	:	19.75	124.25
Import of Seeds	:	368.51	644.55
Travel	:	13.02	17.41
Legal and Professional Charges	:	55.63	1.48
Other Expenses	:	64.50	36.51
		-----	-----
Total		521.41	828.50
		-----	-----
Foreign Exchange Earned (On stand-alone basis)			
FOB Value of Exports	:	1378.03	2,248.29
Dividend	:	0.00	484.65
		-----	-----
Total		1378.03	2,732.94
		-----	-----

For and on behalf of the Board of
Advanta India Limited

Date: 28.02.2011
Place: Hyderabad

V R Kaundinya
Managing Director

Vikram R Shroff
Director

ANNEXURE 'C'

“Group” for interse transfer of shares under Regulation 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 shall include

	PROMOTER DIRECTORS:	11.	Daman Ganga Pulp & Papers Pvt. Ltd.
1.	Rajnikant Devidas Shroff and Family	12.	Demuric Holdings Pvt. Ltd
2.	Sandra R. Shroff and Family	13.	Entrust Environment Ltd.
3.	Jaidev R. Shroff and Family	14.	Enviro Technology Limited
4.	Vikram R. Shroff and Family	15.	Esthetic Finvest Pvt. Ltd.
	RELATIVES OF PROMOTER DIRECTORS:	16.	Floratrip Ltd. (BVI)
1.	Poonam J. Shroff and Family	17.	Force Aviation Pvt. Ltd.
2.	Namrata V. Shroff and Family	18.	Gharpure Engineering & Constructions P. Ltd.
3.	Varun J Shroff and Family	19.	Heline Environment Pvt. Ltd.
4.	Tania J Shroff and Family	20.	Hexspun Ltd. (BVI)
5.	Rudritara J. Shroff and Family	21.	Isar Builders & Developers Pvt. Ltd.
6.	Mekhala V. Shroff and Family	22.	Kerala Enviro Infrastructure Ltd.
7.	Ranjit V. Shroff and Family	23.	Khagay Environment Pvt. Ltd.
8.	Shilpa R Shroff and Family	24.	Khaline Environment Pvt. Ltd.
9.	Pradip Sagar and Family	25.	Latur Water Supply Management Co. Ltd.
10.	Jyotsna Bhatt and Family	26.	Mrugal Properties Ltd.
11.	Jyotindra Bhatt and Family	27.	Nerka Chemicals Pvt. Ltd.
12.	Shaila S Shroff and Family	28.	Nivi Trading Ltd.
	TRUST:	29.	Praskand Environment Pvt. Ltd.
1.	Jai Trust	30.	R. Shroff Consultants Pvt. Ltd.
2.	Jewel Trust	31.	Sanguine Holdings Pvt. Ltd.
3.	Victory Trust	32.	Seiko Properties Pvt. Ltd.
	PARTNERSHIP FIRMS:	33.	Sharvak Environment Ltd.
1.	Akruti Products	34.	Shatataraka Holdings Pvt. Ltd.
2.	Sarjan Chemicals	35.	Shivalik Solid Waste Management Ltd.
3.	Prakriya Pharmachem	36.	Shroff Envirotral Pvt. Ltd.
4.	Urja Chemicals	37.	Shroffs United Chemicals Ltd.
5.	UPL India	38.	Squaredip Inc. (BVI)
6.	Pot Plants	39.	SWAL Corporation Ltd.
7.	Ultima Search	40.	Tatva Clean Tech Private Ltd.
	GROUP COMPANIES:	41.	Tatva Global Environment Ltd.
1.	Agraja Properties Ltd.	42.	Tatva Global Environment (Deonar) Ltd.
2.	Agrinet Solutions Ltd.	43.	Tatva Global Renewable Energy Co. Pvt. Ltd.
3.	Amytree Ltd. (BVI)	44.	Tatva Global Water Technologies Pvt. Ltd.
4.	Archana Overseas Pvt. Ltd.	45.	Timberlane PTE. Ltd.
5.	Bharuch Airport Infrastructure Pvt. Ltd.	46.	Uniphos Agro Industries Ltd.
6.	Bharuch Enviro Infrastructure Ltd.	47.	Uniphos (Cayman Islands)
7.	Bloom Industrial Plastics Pvt. Ltd.	48.	Uniphos (Cyprus) Limited
8.	Bloom Packaging Pvt. Ltd.	49.	Uniphos Envirotronic Pvt. Ltd.
9.	Bloom Seal and Containers Pvt. Ltd.	50.	United Phosphorus (Cayman Islands)
10.	Coimbatore Integrated Waste Management Co. P. Ltd.	51.	Uniphos Enterprises Ltd.
		52.	UPL Djai Power Ltd.
		53.	United Phosphorus Ltd
		54.	UPL Environmental Engineers Ltd.
		55.	UPL Global Eco Investment Holdings Pvt. Ltd.
		56.	Venture Drive Limited (Cayman Islands)
		57.	Vyom Finvest P. Ltd.

and any body corporate and/or entity promoted / formed by any of the above.

“Family” for this purpose includes spouse, dependent children and parent.

For and on behalf of the Board of
Advanta India Limited

Date : 28.02.2011
Place : Hyderabad

V.R.Kaundinya
Managing Director

Vikram R Shroff
Director

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY - COMPANY'S PERSPECTIVE

The team at Advanta believes that as we move closer towards our aspirations of becoming a global leader in seeds business, our Corporate Governance Standards must be globally acclaimed and recognized.

The basic Philosophy of Corporate Governance of the Company is to achieve business excellence and enhance the shareholder value, keeping in view the interests of all stakeholders. The Company stands by transparency in all dealings and strict regulatory compliance. The Company believes that strong Corporate Governance is indispensable for healthy business growth and to be resilient in a vibrant capital market is an important instrument of investor protection.

The Company's products are marketed not only in India but all across the globe. The Company is therefore conscious of the fact that to achieve success, a very high level of ethical values is to be maintained by the Management Team and all other employees.

2. BOARD OF DIRECTORS

The composition, meetings and the overall functioning of the Board of Directors are governed by the provisions of the Companies Act, 1956, the Articles of Association of the Company and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The Board has a current strength of six directors with an ideal blend of executive and non - executive Directors, which adheres to the stipulated requirements of the Listing Agreement.

(i) Size and composition of the Board

Our policy towards the composition of the Board is to have an optimum combination of executive and independent directors in order to maintain the independence of the Board and to separate its functions of governance and management. Currently, the Board consists of 6 members, two of whom are non- executive directors, one is executive and three are independent directors.

The Board believes that the existing size and composition are appropriate, in view of the requirements of the Company and the industry standards at large. The Board periodically evaluates the need for change in composition of its size.

Sl. No.	Name of Director	Office / Designation	Executive / Non-Executive	Independent / Non-Independent	No. of Shares held in the Company (%)
1.	Mr. Jaidev R Shroff	Chairman	Non-Executive	Non-Independent	1015350 (6.03%)
2.	Mr. V. R. Kaundinya	Managing Director	Executive	Non-Independent	3460 (0.021%)
3.	Mr. Vikram R. Shroff	Director	Non-Executive	Non-Independent	846650 (5.02%)
4.	Mr. Vinod Sethi	Director	Non-Executive	Independent	Nil
5.	Dr. Vasant P. Gandhi	Director	Non-Executive	Independent	Nil
6.	Mr. Hardeep Singh	Director	Non-Executive	Independent	5000 (0.03%)

(ii) Meetings of the Board

The Meetings of the Board are held once in a quarter to review the quarterly results and to transact the other items on agenda. Additional Meetings are held as and when necessary. The Company Secretary prepares the Agenda and the Explanatory Notes in consultation with the Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the Agenda. Presentations are made on business operations to the Board by the CEO / CFO / other Functional Heads. The Minutes of the proceedings of the Meetings are noted and the draft Minutes are circulated amongst the members of the Board for their perusal and feedback. Comments, if any, received from the Directors are recorded in the Minutes, in consultation with the Chairman of the Meeting. The Minutes are approved by the Board members at the next Meeting. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board as and when necessary.

The Board of Directors met 5 times during the year (01st January, 2010 to 31st December, 2010), as follows:

- ◆ February 25, 2010
- ◆ April 28, 2010
- ◆ May 13, 2010
- ◆ August 13 2010 and
- ◆ November 10, 2010.

The maximum time gap between any two consecutive meetings did not exceed four months.

(iii) Attendance at the Board meetings / AGM and directorships / committee membership held by the Directors as at December 31, 2010.

Name of the Director	No. of meetings during the year		No. of Memberships in other companies			Attendance at previous AGM
	Held	Attended	Boards	Committees (Including Chairmanship)	Chairmanship of Committees	
Mr. Jaidev R. Shroff	5	1	14	Nil	Nil	Absent
Mr. V. R. Kaundinya	5	5	2	Nil	Nil	Present
Mr. Vikram R. Shroff	5	3	11	Nil	Nil	Absent
Mr. Vinod Sethi	5	5	10	9	1	Present
Dr. Vasant P. Gandhi	5	5	1	1	Nil	Absent
Mr. Hardeep Singh	5	4	4	3	3	Absent

- The Directorships held by Directors in other Companies, as mentioned above, do not include Directorship(s) in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.
- For the purpose of reckoning number of Committees in which a Director is a member / chairman, the memberships / Chairmanships in Audit Committee and Shareholders Grievance Committee alone are considered.
- None of the Non-executive independent Directors has any pecuniary relationships or transactions with Company except the sitting fees paid for each meeting of the Board of Directors attended by them.
- All the Directors who are on various committees are within the permissible limits of the listing agreement.
- None of the Directors has any relationship with other directors of the Company except Mr. Jaidev R. Shroff and Mr. Vikram R. Shroff who are related to each other as brothers.

(iv) Information available to the Board

The Board of Directors has complete access to the information within the Company, which inter alia includes:

- Minutes of Audit and Investors Grievances Committee Meetings, as well as abstracts of circular resolutions passed, If any
- General Notice of interest of Directors,
- Annual / Quarterly Budgets, Capital Budgets and updates,
- Quarterly / half yearly / annual financial results,
- Dividend data, if any
- Materially important litigations, show cause notices, demand, prosecution and penalty notices,
- Details of any Joint Venture, acquisitions of Companies and collaboration agreements,
- Fund raising plans and Options,
- Details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement,
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholders services such as non-payment of dividend or delays,
- Information on recruitment of senior officers just below the Board level including appointment or removal of General Managers and Company Secretary,
- Inter-corporate investments, loans and guarantees,
- Acquisition of business, abroad and in India,
- Borrowing powers of the Board of Directors' and
- Review of the procedure for risk assessment and minimization.

3. AUDIT COMMITTEE

(i) Composition

Our Audit Committee comprises of three Independent Directors and one Non-Executive Director. There was no change in the composition of the said Committee during the year under review:

- Mr. Vinod Sethi - Chairman
- Mr. Vikram R. Shroff - Member
- Dr. Vasant P. Gandhi - Member
- Mr. Hardeep Singh - Member

The Company Secretary acts as the secretary to the Audit Committee.

The composition of the Audit Committee complies with the provisions of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement entered with the Stock Exchange(s).

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on April 29, 2010.

(ii) Terms of reference

The terms of reference of our Audit Committee are as per the revised guidelines set out in the listing Agreement entered with Stock Exchanges read with Section 292 A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

a) Powers of the Audit Committee include:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Role of the Audit Committee includes:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
 - Management Discussion and Analysis of financial conditions and results of operations
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Review of the financial statements of subsidiary Companies
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the Risk Management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

(iii) Attendance during the Financial Year ended 31st December, 2010

Five Audit Committee meetings were held during the year, i.e., on February 25, 2010; April 28, 2010; May 13, 2010; August 13, 2010 and November 10, 2010. The attendance at the meetings of the Committee is given below:

Name of the Member	Category	No. of meetings	
		held	attended
Mr. Vinod Sethi	Independent Director	5	5
Mr. Vikram R. Shroff	Non – Executive Director	5	3
Dr. Vasant P. Gandhi	Independent Director	5	5
Mr. Hardeep Singh	Independent Director	5	4

The meetings of the Audit Committee were generally attended by the heads of Finance and Statutory Auditors as invitees.

4. REMUNERATION COMMITTEE

(i) Composition

During the year and also as on date, our Remuneration Committee comprises 5 Non –Executive Directors, out of which 3 Directors are Independent:

- Mr. Hardeep Singh - Chairperson
- Mr. Jaidev. R. Shroff - Member
- Mr. Vikram R. Shroff - Member
- Mr. Vinod Sethi - Member
- Dr. Vasant P. Gandhi – Member

The Company Secretary acts as Secretary to the Committee.

(ii) Terms of reference

The Remuneration Committee shall function in accordance with the terms of reference made by the Board of Directors, which are given as follows:

1. To fix the remuneration packages of Executive Directors i.e., Managing Directors and Whole-time Directors, etc.,
2. To decide on the elements of remuneration package of all the directors i.e. salary, benefits, bonus, stock options, pensions, etc.
3. To administer the Employee Stock Option and Shares Plan – 2006
4. Recommendation of fees / compensation/ stock options, if any, to be paid / granted, to Non Executive Directors, including independent directors, of the Board.
5. Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable, including any revision in remuneration payable to Executive/ Non- Executive Directors are to be made.
6. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee:
 - i). The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
 - ii). Carrying out any other function related to the terms of reference of the Remuneration Committee.
7. Any other functions / powers / duties as may be entrusted by the Board from time to time

(iii) Attendance during the Financial Year ended 31st December, 2010

Three Remuneration Committee meetings were held during the year, i.e., on April 28, 2010; August 13, 2010 and November 10, 2010. The attendance at the meetings of the Committee is given below:

Name of the Member	Category	No. of meetings	
		held	attended
Mr. Hardeep Singh	Independent Director	3	2
Mr. Jaidev R. Shroff	Non-Executive Director	3	1
Mr. Vikram R. Shroff	Non-Executive Director	3	1
Mr. Vinod Sethi	Independent Director	3	3
Dr. Vasant P. Gandhi	Independent Director	3	3

(iv) Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the managerial person. While reviewing the remuneration of management personnel, the Committee takes into account the following:

- Financial position of the Company
- Trends in the industry
- Appointee's qualification and expertise
- Past performance
- Past remuneration etc.

The Non-Executive Independent Directors are paid sitting fees of Rs 20,000/- for each meeting of the Board attended by them. The total amount of sitting fees for the year was Rs 2,80,000/-

Further, in response to the Application made by the Company (subsequent to the approval of shareholders), to the Central Government, the said Authority has granted its approval for payment of remuneration not exceeding 3% of the profits under Section 198 of the Act, to the Non-Executive Directors of the Company.

(v) Criteria for making payment to Non-Executive Directors:

- No. of Board / Committee meetings attended

(v) Details of remuneration paid to the Directors during the year 2010

Name of the Member	Relationship with other Directors	Remuneration paid for the Year 2010 (Rs. in Lacs)			
		Sitting fee	Salary*	Commission	Total
Mr. V.R. Kaundinya	Nil	N.A.	121.20	Nil	121.20
Mr. Vinod Sethi	Nil	1.00	Nil	Nil	1.00
Mr. Hardeep Singh	Nil	0.80	Nil	Nil	0.80
Dr. Vasant P. Gandhi	Nil	1.00	Nil	Nil	1.00

* inclusive of salary, perquisites and contribution to provident fund and Superannuation fund.

Mr. V.R. Kaundinya has been granted 5460 Stock Options in the Company out of which 3345 Options have been vested / exercised and allotted to him till date. No other Director of the Company holds any Stock Options in the Company.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

During the year and as on date, the Shareholders' / Investors' Grievance Committee comprises of 3 Non-Executive Directors out of which 1 is Independent.

(i) Composition of the Committee

Name	Designation	Category
Mr. Vinod Sethi	Chairman	Independent Director
Mr. Jaidev R. Shroff	Member	Non-Executive Director
Mr. Vikram Shroff	Member	Non-Executive Director

The Company Secretary acts as the Secretary to the Committee.

(ii) Name and Designation of Compliance Officer

Ms. Pushpalatha K, Company Secretary

(iii) Terms of reference

The Committee has been formed to specifically look into the redressal of shareholder and investors complaints and deals with matters relating to transfer / transmission of shares, non-receipt of balance sheets, non-receipt of declared dividend, issue of duplicate share certificates, review of shares dematerialized and all other related matters.

The Company has appointed M/s. Sharepro Services (India) Pvt. Ltd. to act as Registrar and Transfer Agent of the Company.

Particulars of investor's grievances received and redressed are furnished below:

Sl.No.	Particulars	Number of Complaints
1	Number of shareholder's complaints received so far.	Nil
2	Number of complaints not solved to the satisfaction of shareholders.	Nil
3	Number of pending complaints.	Nil

The Committee along with the Registrars and Share Transfer Agents of the Company, follow the policy of attending to the complaints, if any, within seven days from the date of receipt of any complaint.

6. GENERAL BODY MEETINGS

(i) Location and time of the last three Annual General Meetings (AGMs)

AGM	Year	Venue	Date	Time	Special Resolutions Passed
16th	2009	Quoram Hall, Hotel Minerva Grand, Sarojini Devi Road, Secunderabad-500003.	April 29, 2010	11.30 A.M.	Yes
15th	2008	Quoram Hall, Hotel Minerva Grand, Sarojini Devi Road, Secunderabad-500003.	June 22, 2009	11.30 A.M.	Yes
14th	2007	The Chancery, 10/6, Lavelle Road, Bangalore – 560001.	June 24, 2008	11:00 A.M.	Yes

(ii) Special Resolution passed in the previous three (3) Annual General Meetings (AGMs)

Date of AGM	No. of Special Resolutions passed	Details of the Special Resolutions
29th April, 2010	1	(i) To approve the alteration of Articles of Association of the Company by inserting sub-article (5) in Article 7 of the Articles of Association.
22nd June, 2009	2	(i) Reappointment of Mr. V.R. Kaundinya as the Managing Director of the company with effect from 10th July, 2009 for a maximum period of three years at a maximum remuneration of Rs. Two Crores per annum with effect from 10th July, 2009. (ii) Waiver of excess remuneration being paid to Mr. V.R. Kaundinya as the Managing Director of the company, over and above the limits prescribed under section 309 read with Schedule XIII of the Companies Act, 1956 for three Financial Years ended on 31st December, 2006, on 31st December, 2007 and on 31st December, 2008.
24th June, 2008	1	(i) To approve the shifting of Registered Office of the Company from the state of Karnataka to the State of Andhra Pradesh subject to confirmation by the Company Law Board.

(iii) Special Resolutions passed at the Extra Ordinary General Meetings (EGMs) in last three years

Date of EGM	No. of Special Resolutions passed	Details of the Special Resolutions
--- No EGM was held during the FY ended 31st December, 2010 ---		
November 6, 2009	1	- Issue of further Equity shares and / or other convertible financial instruments through Public Issue, Rights Issue, Preferential Issue and / or Preferential Allotment for an aggregate amount not exceeding Rs. 750 Crores.
October 31, 2008	2	- To ratify the Employees Stock Options and Shares Plan, 2006 to enable the Company for fresh grant of options. - To enable the Company to grant fresh options to the employees of its Subsidiaries.

(iv) Postal Ballot

During the year, no postal ballot process was taken up and hence no special resolutions were passed through postal ballot. Therefore providing details of person who conducted the Postal Ballot exercise do not arise.

(v) Special Resolutions proposed to be conducted through Postal Ballot

As of now, there is no proposal to pass any Special resolution through Postal Ballot process. Special resolutions, if required to be passed in the future, will be decided at the relevant time.

(vi) Procedure for postal Ballot

The procedure for postal Ballot is as per the provisions contained in this regard in the Companies Act, 1956 and rules made thereunder, viz, Companies (Passing of the resolutions by Postal Ballot) Rules, 2001.

7. DISCLOSURES

i) Disclosure on materially significant related – party transactions that may have potential conflict with the interest of the Company at large.

None of the transactions with the related parties is in conflict with the interest of the Company. The Company's major related party transactions are generally with its Subsidiaries and Associates. All related party transactions are negotiated on arms length basis and are intended to further the interests of the Company.

The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 "Related Party Disclosure" issued by the Central Government under Companies (Accounting Standards) Rules, 2006 are set out at Schedule U, Point No 9C to the Annual Accounts. Members may refer to notes to accounts for details of related party transactions.

(ii) Details of non-compliance by the company, penalties, and strictures imposed on the company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of regulatory / statutory authorities on capital market and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

(iii) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:

The Company has complied with all mandatory requirements and has adopted following non-mandatory requirements of clause 49.

(iv) Remuneration Committee

The Company has constituted Remuneration Committee to inter alia recommend/review remuneration to Managing Director / Wholetime Directors and Non-Executive based on their performance and defined assessment criteria.

8. MEANS OF COMMUNICATION

(i) Quarterly results

Quarterly results are generally published in 'Business Standard' and 'Andhra Prabha' and displayed on the Company's website www.advantaindia.com.

(ii) News Releases

Official news releases made to media are displayed on the Company's website www.advantaindia.com. Official Media Releases are sent to the Stock Exchanges.

(iii) Website

The Company's website www.advantaindia.com contains a separate section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the Company's website in a user-friendly and downloadable form.

(iv) Designated Exclusive e-mail-id

The Company has designated the following e-mail ids exclusively for investor servicing.

- For any queries, complaints or suggestions to the Company - investor@advantaindia.com and also communicate through investor's toll number provided therein.

(v) Annual Report

Annual Report, containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion & Analysis (MD &A) Report forms part of the Annual Report and is displayed on the Company's website www.advantaindia.com.

9. GENERAL SHAREHOLDER INFORMATION

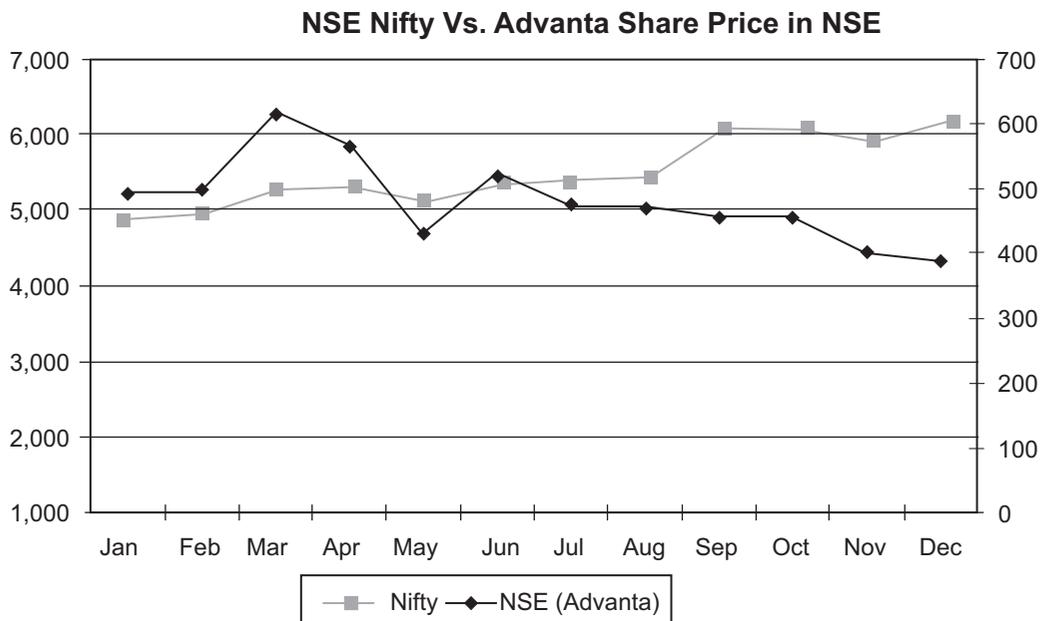
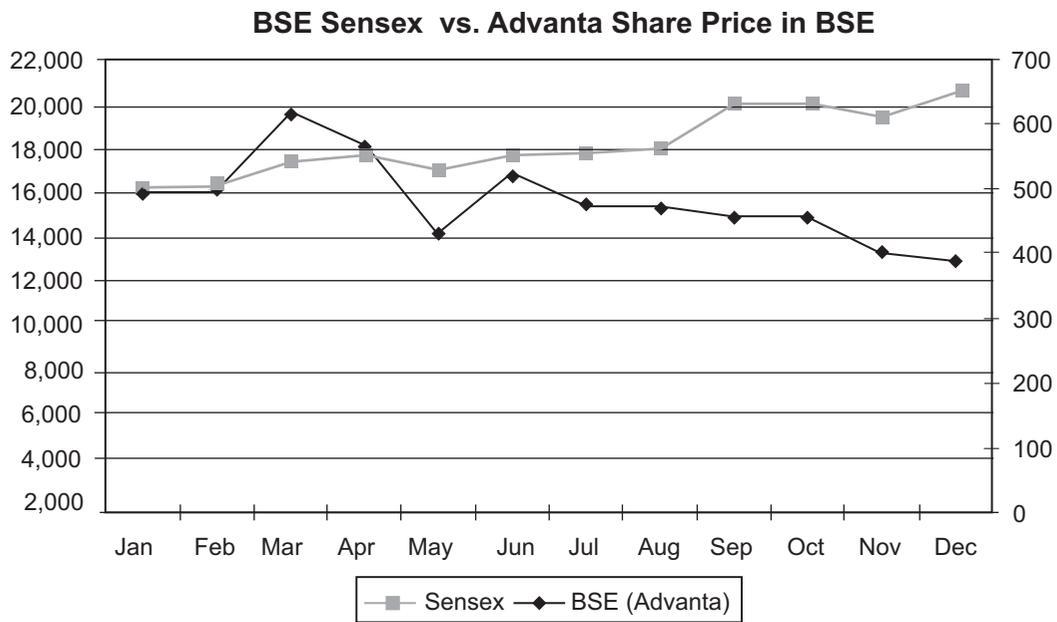
(i) Annual General Meeting		
Date	:	29th April, 2011
Time	:	11.30 A.M.
Venue	:	"Earthen Oven" Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad - 500034
(ii) Financial Calendar		
Financial Year	:	January 1, 2011 to December 31, 2011
Financial Reporting for 2011 (Tentative)	:	Quarter ending March 31, 2011- on or before May 14, 2011 Quarter ending June 30, 2011 - on or before August 13, 2011 Quarter ending September 30, 2011-on or before November 13, 2011 Quarter ending December 31, 2011- on or before February 13, 2012
(iii) Date of Book closure	:	19th day of April, 2011 to 29th day of April, 2011
(iv) Dividend Payment Date	:	N.A (since No Dividend is recommended for the FY ended 31st December, 2011)
(v) Listing on Stock Exchanges		
Equity Shares	:	Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code : 532840
	:	National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. Trading Symbol: ADVANTAEQ ISIN: INE517H01010
Debt Securities	:	The Wholesale Debt Market (WDM) Segment of BSE
Debenture Trustees	:	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 023. ISIN: INE517H08023
(vi) Payment of Listing Fees	:	Annual listing fee for the year 2010 has been paid to BSE and NSE.

vii) Market Price Data

Month	Bombay Stock Exchange Limited (BSE) (In Rs. per share)		National Stock Exchange Limited (NSE) (In Rs. per share)	
	High	Low	High	Low
January 2010	582.80	466.60	580.00	463.10
February 2010	584.90	485.00	584.80	481.10
March 2010	634.85	473.05	636.60	475.35
April 2010	679.95	564.00	675.00	563.10
May 2010	574.40	412.10	570.00	393.70
June 2010	530.75	408.05	533.80	408.00
July 2010	531.00	461.00	531.40	460.00
August 2010	498.30	450.00	497.70	449.05
September 2010	502.00	451.00	501.95	450.15
October 2010	520.00	446.80	520.00	446.00
November 2010	524.00	370.00	524.00	370.00
December 2010	431.00	378.00	434.00	380.00

(viii) Performance in comparison to broad based indices for FY 31st December 2010 - BSE Sensex Vs Advanta (Closing Share prices in BSE) and Nifty vs. Advanta (Closing Share Prices in NSE).

Month	Sensex	BSE(Advanta)	Nifty	NSE(Advanta)
January	16,357.96	488.65	4882.05	491.25
February	16,429.55	496.50	4922.30	497.95
March	17,527.77	614.25	5249.10	613.65
April	17,558.71	565.95	5278.00	565.70
May	16,944.63	429.55	5086.30	429.65
June	17,700.90	518.65	5312.50	520.00
July	17,868.29	470.65	5367.60	470.05
August	17,971.12	468.55	5402.40	469.20
September	20,069.12	456.95	6029.95	455.10
October	20,032.34	454.95	6017.70	456.50
November	19,521.25	400.60	5862.70	400.80
December	20,509.09	388.05	6134.50	388.10



(ix) Registrar & Share Transfer Agents : M/s. Sharepro Services (India) Pvt. Ltd.
Samhita Complex, Gala No. 52 to 56,
Building No. 13A – B, Near Sakinaka
Telephone Exchange,
Andheri – Kurla Road,
Sakinaka, Mumbai – 400072.
E-mail: sharepro@shareproservices.com

(x) Share Transfer System

Share transfer are processed and share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The board has delegated the authority for approving transfer, transmission etc., of the Company's securities to the Committee of the Directors. A summary of transfer/ transmission of securities of the Company so approved by the Committee of the Directors is placed at every Board Meeting.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliances with the share transfers formalities as required under Clause 47 (c) of the Listing Agreement with the Stock Exchanges and files a copy of the certificate with the Stock Exchange

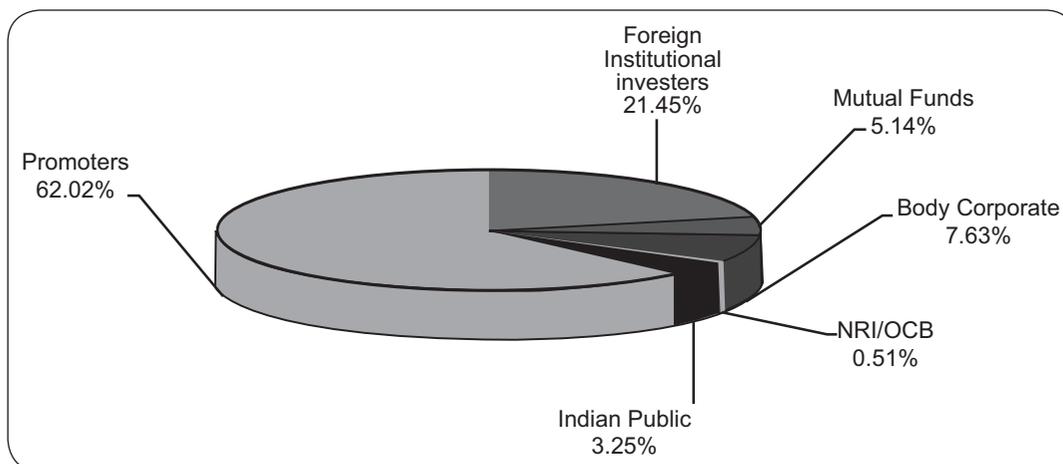
(xi) Distribution of Shareholdings As On 31st December, 2010:

Category (Shares)	Shareholders		Shareholding	
	Folio(s)	%	Shares	%
(1)	(2)	(3)	(4)	(5)
Upto 500	6,213	96.30	359,422	2.13
501 - 1000	113	1.75	90,099	0.54
1001 - 2000	54	0.84	79,852	0.47
2001 - 3000	19	0.29	47,125	0.28
3001 - 4000	11	0.17	37,968	0.22
4001 - 5000	7	0.11	33,007	0.20
5001 - 10000	11	0.17	73,698	0.44
10001 - And Above	24	0.37	16,130,818	95.72
Total	6,452	100.00	16,851,989	100.00

Shareholding Pattern as on December 31, 2010

Category	Category of Shareholders	Number of Share holders	Total No. of Shares	Number shares held in demat form	Total shareholding as a percentage of total number of shares		Shares pledged otherwise encumbered	
					As a % of (A+B)1	As a % of (A+B+C)	No. of Shares	As a % of (IX) = (VIII)/(IV) *100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
(A)	Shareholding of Promoter and Promoter Group ²							
(1)	Indian							
(a)	Individuals/H.U.F	1	846650	846650	5.02	5.02	0	0.00
(b)	Central/State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	3	8589857	8589857	50.97	50.97	5978000	69.59
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	4	9436507	9436507	55.99	55.99	5978000	63.35
(2)	Foreign							
(a)	Non Resident Individuals/Foreign Nationals	1	1015350	1015350	6.03	6.03	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	1	1015350	1015350	6.03	6.03	0	0.00
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	5	10451857	10451857	62.02	62.02	5978000	57.20
(B)	Public Shareholding³						NA	NA
(1)	Institutions						NA	NA
(a)	Mutual Fund/UTI	3	866496	866496	5.14	5.14		
(b)	Financial Institutions/Banks	-	-	-	-	-		
(c)	Central/State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	-	-	-	-	-		
(f)	Foreign Institutional Investors	21	3614641	3614641	21.45	21.45		
(g)	Foreign Venture Cap. Inv							
	Sub-Total (B)(1)	24	4481137	4481137	26.59	26.59		
(2)	Non Institutions						NA	NA
(a)	Bodies Corporate	390	1285895	1285895	7.63	7.63		
(b)	Individuals							
	i) Holding nominal share capital upto Rs. 1 lakh	5957	496887	496885	2.95	2.95		
	ii) Holding nominal share capital in excess of Rs. 1 lakh	2	50000	50000	0.30	0.30		
(c)	Any Other(specify)							
	Overseas Corporate Bodies	-	-	-	-	-		
	Non Resident Individuals							
	- Non-Repatriable	12	3133	3133	0.02	0.02		
	- Repatriable	58	78300	78300	0.46	0.46		
	Foreign National	4	4780	4780	0.03	0.03		
	Sub-Total (B)(2)	6423	1918995	1918993	11.39	11.39		
	Total Public shareholding (B)=(B)(1)+(B)(2)	6447	6400132	6400130	37.98	37.98		
	TOTAL (A)+(B)	6452	16851989	16851987	100.00	100.00	5978000	35.47
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	-	-	-	-	-		
2	Public	-	-	-	-	-		
	GRAND TOTAL (A)+(B)+(C)	6452	16851989	16851987	100.00	100.00	5978000	35.47

Shareholding Pattern as on December 31, 2010



(xiii) Dematerialization of shares and liquidity

With effect from August 28' 2000, the shares of the company are under the compulsory demat settlement mode and can be traded only in the demat form. As on 31st December, 2010 , 98.12% of the total issued share capital is held in dematerialized form with National Securities Depositories Limited (NSDL) and 1.88% of the total issued share capital is held in Central Depository Services Limited (CDSL). There are only 2 Equity Shares in physical form.

Electronic/Physical	Number of shares held	Percentage(%) of Issued Capital
NSDL	16,535,798	98.12
CDSL	316,189	1.88
Physical	2	0.00
TOTAL	16,851,989	100.00

(xiv) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable

(xv) Plant Locations

- | | | | |
|-------|----------------------------|---|--|
| (i) | Kurnool | : | B Camp Post, Krishna Nagar,
Kurnool - 518 002, A.P |
| (ii) | Medchal | : | Kalakkal Village,
Toopran Mandal, Medak Dist – A.P. |
| (iii) | Ranga Reddy District | : | Bharati Brahma Seeds,
Nutankal Village, Medchal Mandal,
Gundla Pochampally
Ranga Reddy District, 501 082,
Andhra Pradesh, India. |
| (iv) | Haryana | : | Plot No. 110, Sec. 57, Phase – IV,
Industrial Estate, Kundali, Sonapat,
Haryana, India. |
| (xvi) | Address for Correspondence | | |
| | Investor Correspondence | : | M/s. Sharepro Services (India) Pvt. Ltd.
Samhita Complex, Gala No. 52 to 56,
Building No. 13A – B, Near Sakinaka
Telephone Exchange, Andheri – Kurla Road,
Sakinaka, Mumbai – 400072, India.
E-mail : sharepro@shareproservices.com |
| | | | or |
| | | | Advanta India Limited
Krishnama House,
#8-2-418, 3rd Floor,
Road No.7, Banjara Hills,
Hyderabad-500034. A.P. India.
website: www.advantaindia.com |
| | Any query on Annual Report | : | Ms. Pushpalatha K
Company Secretary
#8-2-418, 3rd Floor,
Krishnama House,
Road No.7, Banjara Hills,
Hyderabad-500034. A.P. India
website: www.advantaindia.com |

(xvii) Certificate of Compliance

Certificate from M/s P.S Rao & Associates, Company Secretaries in Practice, Hyderabad confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to the Directors' Report forming part of the Annual Report.

This Certificate shall be forwarded to the Stock Exchanges where the securities of the Company are listed.

(xviii) CEO and CFO Certification

The Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

For and on behalf of the Board of
Advanta India Limited

Date: 28.02.2011
Place: Hyderabad

V.R. Kaundinya
Managing Director

Vikram R Shroff
Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Advanta India Limited

We have examined the compliance of Corporate Governance by M/s Advanta India Limited, for the year ended December 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company and ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.S.Rao & Associates
Company Secretaries

Date: 28.02.2011
Date: Hyderabad

P.S Rao
Partner
Membership No: 9769
C.P. No.: 3829

Declaration regarding compliance by Board members and senior management personnel with the Company's code of conduct

I, V.R. Kaundinya, Managing Director of M/s. Advanta India Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st December 2010 compliance with the code of conduct of the Company laid down for them.

Date : 28.02.2011
Place : Hyderabad

V.R. Kaundinya
Managing Director

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in accordance with clause 49 of the listing agreement

We, V.R. Kaundinya, Managing Director and Manoj Gupta, Group Chief Financial Officer of M/s. Advanta India Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended December 31, 2010 and to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b) These statements present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee the deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
 - a) The significant changes in the internal control during the year;
 - b) The significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) That we have not come across any instances of significant fraud of which we have become aware and the involvement of an employee having a significant role in the Company's internal control system.

Date: 28.02.2011
Place: Hyderabad

V. R. Kaundinya
Managing Director

Manoj Gupta
Group Chief Financial Officer

AUDITORS' REPORT

To
The Members of
Advanta India Limited

1. We have audited the attached Balance Sheet of Advanta India Limited as at December 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Order'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors, as on December 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on December 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the balance sheet, of the state of affairs of the Company as at December 31, 2010;
 - b) In the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R.Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place : Hyderabad
Date : February 28, 2011

**Annexure referred to in paragraph 3 of our report of even date
Re: Advanta India Limited ('the Company')**

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management under the phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (c) There was no substantial disposal of the fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,822.76 lacs and the year-end balance of the loan granted to such company was Rs. 1,496.48 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and the other terms and conditions for said loan are not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are repayable on demand. As informed, the repayment of principal amount and payment towards interest are made as and when demanded by the Company.
- (d) There is no overdue amount of loan granted to a company covered in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 37,500 lacs and the year-end balance of the loan taken from such company was Rs. 37,500 lacs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it. Excise duty is not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Period to which the Amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.07	Assessment year 2002-03	Commissioner of Income Tax (Appeals)
		4.84	Assessment year 2004 -05	Commissioner of Income Tax (Appeals)
		199.86	Assessment year 2005-06	Commissioner of Income Tax (Appeals)
		434.93	Assessment year 2006-07	Commissioner of Income Tax (Appeals)

According to the information and explanation given to us, there are no dues of sales tax, wealth-tax, service tax, customs duty and cess which have not been deposited on account of any dispute. Excise duty is not applicable to the Company.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company has no outstanding dues in respect of a financial institution or debentures.

- (xii) According to the information and explanations given to us and based on the document and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place : Hyderabad
Date : February 28, 2011

BALANCE SHEET AS AT 31ST DECEMBER 2010

	Schedule	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	A	1,685.20		1,684.16
b) Share Application Money Pending Allotment		6.39		-
c) Reserves and Surplus	B	37,808.98		37,991.08
			39,500.57	39,675.24
Loan Funds				
a) Secured Loans	C	3,512.56		2,598.97
b) Unsecured Loans	D	45,068.18		12,739.61
			48,580.74	15,338.58
Total			88,081.31	55,013.82
APPLICATION OF FUNDS				
Fixed Assets				
a) Gross Block	E	10,616.25		10,495.34
b) Less: Accumulated Depreciation / Amortisation		4,296.69		3,424.26
c) Net Block		6,319.56		7,071.08
d) Capital Work-in-progress including capital advances		37.33		42.91
			6,356.89	7,113.99
Investments	F		41,258.51	41,658.51
Current Assets, Loans and Advances				
a) Inventories	G	5,588.42		6,059.47
b) Sundry Debtors	H	1,231.24		1,015.18
c) Cash and Bank Balances	I	977.09		188.91
d) Other Current Assets	J	787.63		309.93
e) Loans and Advances	K	34,333.07		4,569.76
	(A)	42,917.45		12,143.25
Less : Current Liabilities and Provisions	L			
a) Liabilities		5,031.21		5,495.59
b) Provisions		254.11		406.34
	(B)	5,285.32		5,901.93
Net Current Assets	(A-B)		37,632.13	6,241.32
Miscellaneous Expenditure				
Share Issue Expenses (Refer Note No.19 in Schedule T)			53.21	-
Profit and Loss Account			2,780.57	-
Total	T		88,081.31	55,013.82
Notes on Accounts				

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W

Chartered Accountants

Vikram R. Shroff
Director

V. R. Kaundinya
Managing Director

per Sudhir Soni

Partner

Membership Number.: 41870

Manoj Gupta
Chief Financial Officer

Pushpalatha K
Company Secretary

Place : Hyderabad

Date : February 28, 2011

Place : Hyderabad

Date : February 28, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

	Schedule	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
INCOME				
Sales		10,133.60		10,276.32
Less: Rebates and discounts		0.89		39.02
			10,132.71	10,237.30
Other Income From Operations	M		1,047.47	248.60
Other Income	N		2,872.04	522.35
			14,052.22	11,008.25
EXPENDITURE				
Cost of Goods Manufactured / Raw Material Consumed	O		6,192.05	7,068.20
Decrease / (Increase) in Stocks	P		528.09	64.76
Personnel Expenses	Q		1,685.46	1,770.67
Operating and Other Expenses	R		3,022.69	3,124.16
Interest and Other Financial Costs	S		4,666.13	2,408.39
Depreciation / Amortisation			880.94	886.12
			16,975.36	15,322.30
PROFIT/(LOSS) BEFORE PRIOR PERIOD ITEMS AND TAXATION			(2,923.14)	(4,314.05)
Less: Prior Period Expenses (Refer Note No.17 in Schedule T)			53.00	14.14
PROFIT/(LOSS) BEFORE TAXATION			(2,976.14)	(4,328.19)
Provision for Taxation				
- Fringe Benefit Tax		-		10.70
- Short/(Excess) Provision for Taxation for earlier years		-		(195.89)
Total tax expense			-	(185.19)
NET PROFIT/(LOSS)			(2,976.14)	(4,143.00)
Balance brought forward from previous year			195.57	4,535.60
Profit available for appropriation			(2,780.57)	392.61
Appropriations:				
Proposed Dividend		-		168.42
Tax on Distributed Profits		-		28.62
			-	197.04
Surplus carried to Balance Sheet			(2,780.57)	195.57
Earnings Per Share :				
Basic			(17.67)	(24.60)
Diluted			(17.51)	(24.37)
Face value Per Share (Rs.)			10.00	10.00
(Refer Note No.12 in Schedule T)				
Notes on Accounts		T		

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 28, 2011

Vikram R. Shroff
Director

Manoj Gupta
Chief Financial Officer

Place : Hyderabad

Date : February 28, 2011

V. R. Kaundinya
Managing Director

Pushpalatha K
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	(2,923.14)	(4,314.05)
Adjustments for :		
Depreciation	880.94	886.12
Bad Debts	-	2.48
Excess Interest Income written off	70.08	-
Loss/(Profit) on sale of Fixed Assets	1.92	4.35
Assets written off	-	13.38
Provision for Doubtful Debts	274.04	254.56
Interest received	(2,871.29)	(16.89)
Dividend Received	(0.75)	(485.40)
Interest paid	4,248.13	1,706.50
	2,603.07	2,365.10
Operating Profit before working capital changes	(320.07)	(1,948.95)
Adjustments for:		
Decrease / (Increase) in Sundry Debtors	(490.09)	1,713.52
Decrease / (Increase) in Loans and Advances	2.51	(171.70)
Decrease / (Increase) in Inventories	471.05	(390.00)
Increase / (Decrease) in Current Liabilities	(95.86)	(65.89)
Increase / (Decrease) in Provisions	44.81	12.60
	(67.58)	1,098.53
Cash generated from/(used) in Operations	(387.65)	(850.42)
Direct taxes paid	(254.44)	(522.13)
Cash flow before prior period adjustments	(642.09)	(1,372.55)
Prior Period Adjustments (Other than Taxation)	(53.00)	(14.14)
Net cash from/(used) in Operating Activities (A)	(695.09)	(1,386.69)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and Intangible Assets	(127.26)	(227.58)
Miscellaneous Expenditure incurred	(53.21)	-
Sale of fixed assets	1.50	22.82
Sale/(Purchase) of Investments	50.00	(57.00)
Maturity/(deposit made) of fixed deposits	(440.25)	137.78
Interest received	2,202.71	14.26
Dividend received	121.55	252.73
Net Cash from/(used) in Investing Activities (B)	1,755.04	143.01
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	37,531.39	24,641.61
Repayment of long-term borrowings	(4,189.65)	(19,600.00)
Proceeds/(payment) from short-term borrowings	(106.72)	-
Proceeds from Issue of equity shares	7.42	0.41
Share premium received	13.47	11.32
Loans/Advance to subsidiaries	(29,511.38)	(1,100.00)
Interest paid	(4,259.79)	(2,547.30)
Dividend Paid	(168.14)	(168.33)
Tax on distributed Profits	(28.62)	(28.62)
Net cash from Financing Activities (C)	(712.02)	1,209.09
Net increase in cash and cash equivalents (A+B+C)	347.93	(34.59)
Cash and cash equivalents at the beginning of the year	161.81	196.40
Cash and cash equivalents at the end of the year	509.74	161.81
Components of Cash and Cash Equivalents		
Cash on Hand	0.55	1.43
Balance with Scheduled banks		
- In Current Accounts	509.19	160.38
- In Deposit Accounts	467.35	27.10
Cash and bank balance as per Balance Sheet	977.09	188.91
Less: Long term deposits considered in investing activities	(467.35)	(27.10)
Cash and cash equivalents considered for cash flows	509.74	161.81

As per our Report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 28, 2011

For and on behalf of the Board of

Advanta India Limited**Vikram R. Shroff**

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 28, 2011

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

SCHEDULE FORMING PART OF THE BALANCE SHEET

	(Rs. in lacs)	As at 31st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE A			
SHARE CAPITAL			
Authorised			
6,00,00,000 (Previous Year : 7,50,00,000) Equity Shares of Rs. 10 /- each		6,000.00	7,500.00
1,50,00,000 (Previous Year : Nil) Preference Shares of Rs. 10 /- each		<u>1,500.00</u>	<u>-</u>
Issued , Subscribed and Paid-up			
1,68,51,989 (Previous Year : 1,68,41,638) Equity Shares of Rs.10/- each fully paid-up		1,685.20	1,684.16
Total		<u><u>1,685.20</u></u>	<u><u>1,684.16</u></u>
(For details of Stock options outstanding refer Note No.7 in Schedule T).			
SCHEDULE B			
RESERVES AND SURPLUS			
Capital Reserve			
State Investment Subsidy		20.00	20.00
General Reserve			
Balance as per last Balance Sheet		1,816.11	1,816.11
Securities Premium Account			
Balance as per last Balance Sheet	35,242.19		35,228.50
Add : Received during the year on issue of equity shares	28.47		13.69
Less: Adjustment for debenture issue expenses	<u>(15.00)</u>		<u>-</u>
		35,255.66	35,242.19
Amalgamation adjustment account		717.21	717.21
Balance in Profit and Loss Account		-	195.57
Total		<u><u>37,808.98</u></u>	<u><u>37,991.08</u></u>
SCHEDULE C: SECURED LOANS			
From Banks:			
On Cash Credit / Packing Credit Loan		1,010.97	85.20
On Working Capital Demand Loan/Short Term Loan		2,490.00	2,500.00
The aforesaid loans are secured by pari passu first charge by way of hypothecation of entire stocks of raw materials, finished goods, work-in-process, consumable stores and spares and such other movables including book-debts, outstanding monies, receivables, both present and future.			
Interest accrued and due		11.59	13.77
Total		<u><u>3,512.56</u></u>	<u><u>2,598.97</u></u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE D		
UNSECURED LOANS		
Term Loans:		
From Banks	6,500.00	9,500.00
Interest accrued and due on term loan	59.28	49.96
From a Company	-	1,189.65
From Others	31.38	-
Commercial Paper	-	2,000.00
[Maximum amount outstanding during the year : Rs 2,000.00 lacs (Previous Year : 2,000.00)]		
Bill Discounting	977.52	-
Non Convertible Debentures	37,500.00	-
[Unsecured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each are redeemable at par at the end of five years from the date of allotment viz. March 13, 2010, and September 25, 2010, or at every interest payment date, which is on quarterly basis at the option of the Company]		
Total	<u>45,068.18</u>	<u>12,739.61</u>
Repayable within one year	2,477.52	6,500.00

SCHEDULE FORMING PART OF THE BALANCE SHEET

	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE F			
INVESTMENTS			
Long-Term (Unquoted) (At Cost)			
I. Other than Trade			
a) In Government Securities:			
National Savings Certificate	0.41		0.41
Indira Vikas Patra	0.11		0.11
		0.52	0.52
b) Bonds			
Nil (Previous Year: 500 Bonds of Rural Electrification Corporation of Rs. 10,000 /- each fully paid-up)		-	50.00
II. Trade			
In Subsidiary Companies			
3,053 (Previous Year: 3,053) Equity shares of Euro 100 each, fully paid-up in Advanta Holdings B.V., Netherlands	16,816.43		16,816.43
5,923 (Previous Year: 5,923) Preference shares of Euro 5,000 each, fully paid-up in Advanta Holdings B.V., Netherlands	19,383.76		19,383.76
2 (Previous Year: 2) Ordinary Shares of \$ 1 each, fully paid-up in Advanta Seed International, Mauritius	0.00		0.00
611,007 (Previous Year: 611,007) Equity shares of Rs. 10 each, fully paid-up in Unicorn Seeds Private Limited, India (Refer Note No.13 in Schedule T)	4,900.80		5,250.80
49,994 (Previous Year: 49,994) Equity shares of Rs. 10 each, fully paid-up in Advanta Seeds Limited	5.00		5.00
750,000 (Previous Year: 750,000) 1% Redeemable Cumulative Preference shares of Rs.10 each, fully paid-up in Unicorn Seeds Private Limited, India	100.00		100.00
99,000 (Previous Year: 99,000) Equity shares of \$ 1 each, fully paid-up in Pt Advanta Seeds Indonesia	52.00		52.00
		41,257.99	41,607.99
Total		41,258.51	41,658.51

SCHEDULE FORMING PART OF THE BALANCE SHEET

	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE G INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)			
Packing/ Processing Materials		331.23	291.78
Work - in - Process		309.31	435.23
Raw Seeds		748.72	731.13
Finished Goods			
- Basic Seeds	1,218.87		1,388.53
- Hybrid Seeds	2,980.29		3,212.80
		4,199.16	4,601.33
Total		5,588.42	6,059.47
SCHEDULE H SUNDRY DEBTORS			
Unsecured Debts outstanding for a period exceeding six months			
Considered good	75.78		322.36
Considered doubtful	695.93		457.23
	771.71		779.59
Less: Provision for doubtful debts	695.93		457.23
		75.78	322.36
Other Debts :			
Considered good (Net of other credit balances Rs 683.34 lacs (Previous year Rs 444.36 lacs)		1,155.46	692.82
Total		1,231.24	1,015.18
SCHEDULE I CASH AND BANK BALANCES			
Cash on Hand		0.55	1.43
Balances with scheduled banks:			
On Current Accounts	509.19		160.38
On Deposit Accounts	21.88		27.10
On Margin Money Deposit (Under lien with bank)	445.47		-
		976.54	187.48
Total		977.09	188.91

SCHEDULE FORMING PART OF THE BALANCE SHEET

	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE J OTHER CURRENT ASSETS			
Interest Receivable on loans and deposits to others		675.74	77.25
Dividend Receivable from a subsidiary		111.89	232.68
Total		787.63	309.93
SCHEDULE K LOANS AND ADVANCES (Unsecured, Considered good, unless otherwise stated)			
Advances to Subsidiaries		31,160.48	1,310.11
Advances Recoverable in cash or in kind or for value to be received			
Considered Good	885.24		1,457.90
Considered Doubtful	138.77		103.43
	<u>1,024.01</u>		<u>1,561.33</u>
Less: Provision for Doubtful advances	138.77		103.43
		885.24	1,457.90
Deposits - Others		463.65	232.49
Advance Income Tax {Net of Provision Rs.1,965.03 lacs (Previous Year Rs.1,965.03 lacs)}		1,823.70	1,569.26
Total		34,333.07	4,569.76
SCHEDULE L CURRENT LIABILITIES & PROVISIONS			
Liabilities			
Sundry Creditors			
Total outstanding dues of creditors other than micro enterprises and small enterprises (Also Refer Note No.6 in Schedule T)	2,002.69		2,206.58
Due to Subsidiaries	21.10		83.92
Advances from customers	654.79		591.77
Security Deposits	147.55		202.61
Unpaid Dividend (Previous Year: Rs. 0.06)	0.33		0.06
Interest accrued but not due	-		18.80
Milestone Payable	650.00		1,000.00
(Refer Note No.13 in Schedule T)			
Other Liabilities	<u>1,554.75</u>		<u>1,391.85</u>
		5,031.21	5,495.59
Provisions			
Provision for Leave Encashment	117.15		102.33
Provision for Gratuity	117.87		87.88
(Refer Note No.10 in Schedule T)			
Provisions for Fringe Benefit Tax {Net of Advances Rs.148.25 lacs (Previous Year: Rs.148.25 lacs)}	19.09		19.09
Proposed Dividend	-		168.42
Tax on proposed dividend	-		28.62
		<u>254.11</u>	<u>406.34</u>
Total		5,285.32	5,901.93

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE M OTHER INCOME FROM OPERATIONS			
Sale of Remnants		217.06	92.74
Price Variance/Adjustments for previous year		635.73	-
Provisions written back		172.75	139.95
Miscellaneous Income		21.93	15.91
Total		<u>1,047.47</u>	<u>248.60</u>
SCHEDULE N OTHER INCOME			
Income from Long-Term Investments: (Trade) Dividend from Subsidiary Companies		0.75	485.40
Interest on Loans and Deposits etc., (Gross) [Tax Deducted at Source : Rs. 2.94 lacs (Previous Year : Rs. 2.73 lacs)]		2,871.29	16.89
Miscellaneous Income		-	20.06
Total		<u>2,872.04</u>	<u>522.35</u>
SCHEDULE O COST OF GOODS MANUFACTURED / RAW MATERIAL CONSUMED			
Inventories at the beginning of the year	731.13		232.13
Add: Produced	1,962.00		3,066.11
Less: Inventories at the end of the year	<u>748.72</u>		<u>731.13</u>
Consumption of Raw Seed		1,944.41	2,567.11
Purchase of seeds		2,408.59	2,070.37
Seeds Processing charges and other charges		876.04	1,115.69
Land lease charges		554.33	884.30
Chemical and Fertilizer consumed		229.84	209.01
Freight Inwards		178.84	221.72
Total		<u>6,192.05</u>	<u>7,068.20</u>
SCHEDULE P DECREASE / (INCREASE) IN INVENTORIES			
Inventories at the end of the year			
Work - in - Process	309.31		435.23
Finished Goods	<u>4,199.16</u>		<u>4,601.33</u>
		4,508.47	5,036.56
Inventories at the beginning of the year			
Work - in - Process	435.23		422.54
Finished Goods	<u>4,601.33</u>		<u>4,678.78</u>
		5,036.56	5,101.32
Total		<u>528.09</u>	<u>64.76</u>

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE Q			
PERSONNEL EXPENSES			
Salaries, Wages and Bonus		1,455.17	1,538.90
Contribution to Provident and Other Funds		130.52	132.27
Gratuity Expense (Refer Note No.10 in Schedule T)		31.98	21.03
Workmen and Staff Welfare Expenses		67.79	78.47
Total		1,685.46	1,770.67
SCHEDULE R			
OPERATING AND OTHER EXPENSES			
Power and Fuel		93.42	108.88
Repairs			
Buildings	0.20		10.32
Machinery	7.46		5.16
Others	100.72		65.25
		108.38	80.73
Rent (Refer Note No.11 in Schedule T)		250.61	288.97
Lease Rental		212.37	227.28
Rates and Taxes		42.08	74.60
Insurance		23.05	22.43
Packing Material Consumed		634.77	626.67
Freight and Transport		3.89	43.36
Travelling and Conveyance		280.01	274.19
Communication Expenses		59.26	81.98
Printing and Stationery		23.05	24.83
Advertisement and Sales Promotion		33.86	66.16
Production and Farm Expenses		218.12	220.59
Provision for Bad and Doubtful Debts / Advances (Net)		274.04	254.56
Consignee Agents' Expenses		-	6.37
Legal and Consultancy Charges		247.87	170.26
Bad debts		-	2.48
Debit Balances written off		70.08	-
Assets written off		-	13.38
Loss on sale of Assets (Net)		1.92	4.35
Loss on Exchange fluctuations (Net)		25.21	41.66
Miscellaneous Expenses		420.70	490.43
Total		3,022.69	3,124.16
SCHEDULE S			
INTEREST AND OTHER FINANCIAL COSTS			
Interest on			
Term Loans		940.71	1,003.92
Others		937.56	702.59
Debentures		2,369.86	-
Bank Charges		104.18	129.83
Cash and Advance Booking Discounts		313.82	572.05
Total		4,666.13	2,408.39

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

**SCHEDULE T
NOTES TO ACCOUNTS**

1. Nature of operations

Advanta India Limited ('AIL' or 'the Company') is engaged in the business of research, production and sale of field crops and vegetable seeds through distributors to farmers.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) Depreciation

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on other assets is provided using the Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

	Rate (SLM)
Furniture and Fixtures	10%
Computers	20%
Vehicles	20%
Office Equipments	10%

Individual fixed assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Lease hold improvements are depreciated over the period of lease term.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**(e) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Goodwill is tested for impairment at the end of each balance sheet date and any impairment loss arises is recognized in the profit and loss account.

(f) Intangible Assets

Costs relating to intangible assets, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives.

	Useful life
Technical Knowhow	10 years
Technology License Fees	5 years
Germ Plasm	10 years
Software	10 years
Trade Marks / Brands	10 years

Goodwill arising on acquisition of business is not amortised.

(g) Research and Development

Research and Development expenditure is charged to revenue in the year in which it is incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortised over the period of expected future benefit.

(h) Leases

Where the Company is the Lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(i) Government Grants

Government grants received in the nature of Investment Subsidy are treated as Capital Reserve.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

(j) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(k) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on standard cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods (including sale of remnants) to the customer. The sales are net of sales return and expected sales return.

Income from Services

Revenues from services are recognized as and when the services are rendered.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

(m) Foreign Exchange Translation/Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

(n) Retirement and other employee Benefits

- (i) Retirement benefits in the form of Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions to the scheme are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Superannuation Fund scheme is funded with an insurance company in the form of a qualifying insurance policy.
- (ii) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each financial year.
- (iii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method
- (iv) Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

(o) Income taxes

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financials statements.

(r) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(s) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

3. Capital Reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.

4. Contingent Liabilities as at the Balance Sheet date:

- (i) Income tax matters under dispute:
- a) Pending with authorities at various levels - Rs. 1,922.35 lacs (Previous Year : Rs. 1922.35 lacs);

SCHEDULE T NOTES TO ACCOUNTS (Continued)

- b) Estimated liability on the basis of past assessments in respect of pending assessments - Rs.160.72 lacs (Previous Year :Rs 160.72 lacs);
- (ii) Claims against the Company not acknowledged as debts Rs.8,019.59 lacs. (Previous Year: Rs 8,035.59 lacs).
Includes a claim of Rs.7,903.39 lacs made by a party which the Company has disputed and has filed a counter claim against the said party for an amount of Rs.2,739.07 lacs.
- (iii) Guarantee is given by company on behalf of subsidiary companies Rs. 7,986.77 lacs. (Previous Year: Rs.3,542.10 lacs)
5. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) Rs. 34.90 lacs (Previous Year: Rs.33.54 lacs).
6. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006", as at December 31, 2010.

7. Employees Stock Option Plan (ESOP)

The Company instituted an Employees Stock Option Scheme ("ESOPS") for certain employees as approved by the shareholders on 20th September, 2006. In accordance with the scheme, the Company granted options in respect of 136,479 equity shares to employees of the Company and its subsidiaries on one to one basis at an exercise price of Rs.285/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of 50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Exercise price) on the date of the grant was nil, no compensation cost has been recognised in the financial statement. During the year 17,876 options have vested.

Date of Grant	September 27, 2006
Date of Board Approval	September 13, 2006
Date of Shareholders Approval	September 20, 2006
Number of options granted	136,479
Method of Settlement (Cash / Equity)	Equity
Vesting Period	Spread over 4 years and 6 months
Exercise Period	10 years
Vesting Conditions	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee

SCHEDULE T NOTES TO ACCOUNTS (Continued)

The details of the activity have been summarized below:

Particulars	As at 31st December, 2010 (No. of equity shares)	As at 31st December, 2009 (No. of equity shares)
Outstanding at the beginning of the year	78,812	121,788
Exercisable at the beginning of the year	58,284	28,051
Granted during the year	NIL	4,028
Forfeited during the year	9,838	11,289
Exercised during the year	10,351	4,979
Options lapsed during the year	17,839	-
Vested during the year	17,876	35,715
Options vested and outstanding during the year	7,525	32,895
Expired during the year	NIL	503
Outstanding at the end of the year	33,259	78,812
Exercisable at the end of the year	65,809	58,284

Stock options granted:

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Current Year	Previous Year
Weighted average share price (Rs. per share)	285	285
Exercise Price (Rs. Per share)	285	285
Expected Volatility	43%	43%
Life of the options granted (Vesting and exercise period) in years	Vesting period + 18 months i.e 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected Dividends	1.40% per annum	1.40% per annum
Average risk-free interest rate	7.50% per annum	7.50% per annum

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value method is as under:

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Net Profit/(Loss) as reported	(2,976.15)	(4143.00)
Add – Employee stock compensation under intrinsic value method	-	-
Less – Employee stock compensation under fair value method	17.39	30.53
Proforma Profit/(Loss)	(2,993.54)	(4,173.53)
Earning per share (Rs.)		
Basic		
- as reported	(17.67)	(24.60)
- Proforma	(17.77)	(24.78)
Diluted		
- as reported	(17.51)	(24.37)
- Proforma	(17.61)	(24.55)

8. Segment Information**a. Business Segment :**

The Company has considered Business segment as the primary segment for disclosure. The Company is engaged in research, production and distribution of Hybrid seeds, which in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is considered the only Business Segment.

b. Geographical Segment :

Secondary segmental information is based on the geographical location of the customers. The geographical segment have been disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customer located outside India.)

Information about Secondary Geographical Segments

Particulars	India (Rs. in lacs)	Outside India (Rs. in lacs)	Unallocated (Rs. in lacs)	Total (Rs. in lacs)
Revenue	8,754.68	1,378.03	-	10,132.71
	(7,989.01)	(2,248.29)	-	(10,237.30)
Carrying amount of segment assets (excluding Deferred Tax Asset)	49,153.54	120.80	41,258.51	93,532.85
	(19,689.65)	(11.95)	(41,658.50)	(61,486.18)
Additions to fixed assets including capital work in progress	170.17	-	-	170.17
	(280.87)	-	-	(280.87)

Note: Figures in brackets represents amounts pertaining to the previous year.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

9. Related Party Disclosures:

a. Names of related parties where control exist irrespective of whether transactions have occurred or not:

Subsidiaries

Name of the Company	Country of Incorporation
Advanta Holdings B.V.	Netherlands
Advanta Netherlands Holding B.V.	Netherlands
Advanta Finance B.V.	Netherlands
Advanta International B.V.	Netherlands
Pacific Seeds (Thai) Limited	Thailand
Pacific Seeds Holdings (Thai) Limited	Thailand
Pacific Seeds Pty Ltd	Australia
Advanta Semillas SAIC	Argentina
Advanta Seed International	Mauritius
Longreach Plant Breeders Management Pty Limited	Australia
PT Advanta Seeds Indonesia	Indonesia
Advanta US Inc	USA
Unicorn Seeds Private Limited	India
Advanta Seeds Limited	India
Advanta Comercio De Sementas LTDA	Brazil

b. Names of other related parties with whom transactions have taken place during the year:

Enterprises having Significant Influence

United Phosphorus Limited
Uniphos Enterprises Limited
Jai Research Foundation
PT United Phosphorus Indonesia

Key Managerial Personnel

Mr. V. R . Kaundinya – Managing Director

c. Transactions with related parties during the year and balances at year end:

A. United Phosphorus Limited

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Purchase of Goods	4.95	34.98
Sale of Goods	8,582.08	8,710.99
Advance Booking Discounts	521.09	561.46
Reimbursement of expenses made	-	93.03
Reimbursement of expenses received	-	591.06

SCHEDULE T NOTES TO ACCOUNTS (Continued)

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Non Convertible debentures	37,500.00	-
Loan received	20,385.00	12,600.00
Loan repaid	21,574.64	14,263.41
Interest Expense	2,943.67	173.05
Balance as on the Balance Sheet date:		
Interest Payable	-	18.80
Loan Payable	-	1,189.65
Commercial Paper	-	2,000.00
Non Convertible debentures	37,500.00	-
Receivable	1191.37	1,371.50
Current Liabilities	683.34	297.75

B. Advanta Netherlands Holdings BV

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Balance as on the Balance Sheet date:		
Current Liabilities	69.39	77.78

C. Advanta Semillas SAIC, Argentina

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of expenses received	29.05	44.76
Purchase of goods	-	7.01
Balance as on the Balance Sheet date:		
Current Assets	70.18	43.35
Current Liabilities	-	7.01
Contingent liability [Bank Guarantee given (Refer Note 4(iii) to Schedule T)]	3,132.85	465.35

D. Pacific Seeds Pty Ltd, Australia

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of expenses received	-	145.89
Miscellaneous expenses	0.05	6.23
Sales/(Returns)	-	0.45
Write backs	-	103.91
Balance as on the Balance Sheet date:		
Current Asset	132.86	144.99
Current Liabilities	23.63	22.38

SCHEDULE T NOTES TO ACCOUNTS (Continued)

E. Pacific Seeds (Thai) Limited

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of expenses made	-	5.51
Sales	627.60	1,913.86
Purchase of Goods	11.00	-
Balance as on the Balance Sheet date:		
Contingent liability [Bank Guarantee given (Refer Note 4(iii) to Schedule T)]	2,116.17	-

F. Pacific Seeds Holdings (Thai) Limited

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Balance as on the Balance Sheet date:		
Current Liabilities	4.47	4.19

G. Advanta Seeds International

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Sales	505.40	142.26
Dividend Income	-	484.65
Reimbursement of expenses received	193.79	4.19
Balance as on the Balance Sheet date:		
Current Liabilities	14.68	-
Dividend receivable	111.89	232.68
Receivable	58.15	-

H. Uniphos Enterprises Limited

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Balance as on the Balance Sheet date:		
Current Liabilities	-	157.40

I. Jai Research Foundation

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of Expenses	19.54	17.17
Lease Rent	5.38	3.28
Balance as on the Balance Sheet date:		
Current Assets	85.00	85.00
Current Liabilities	64.63	41.22

SCHEDULE T NOTES TO ACCOUNTS (Continued)**J. Advanta US Inc**

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of Expenses received	-	11.67
Balance as on the Balance Sheet date:		
Loans and Advances	-	-
Contingent liability [Bank Guarantee given (Refer Note 4(iii) to Schedule T)]	2,237.75	2,326.75

K. Unicorn Seeds Private Limited

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Sales	167.24	181.73
Purchases	248.97	184.86
Reimbursement of Expenses received	82.06	0.14
Reimbursement of Expenses made	5.16	-
Interest Income	382.84	-
Dividend Received	0.75	0.75
Loan Given	1,410.00	1,100.00
Loan Received	1,410.00	-
Advance Given	1,593.00	4,100.00
Advance Repaid	647.50	4,067.84
Balance as on the Balance Sheet date:		
Loan	1,100.00	1,100.00
Current Assets	687.00	40.25
Current Liabilities	-	257.47
Contingent liability [Bank Guarantee given (Refer Note 4(iii) to Schedule T)]	500.00	750.00

L. Advanta Seeds Limited

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of Expenses received	-	0.05
Balance as on the Balance Sheet date:		
Current Liabilities	1.95	1.95

M. Advanta Holdings B V

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Interest Income	2,574.04	-
Loan Given	28,180.71	-
Advance	1,330.67	-
Balance as on the Balance Sheet date:		
Current Assets	29,930.76	-

SCHEDULE T NOTES TO ACCOUNTS (Continued)

N. PT Advanta Seeds Indonesia

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Reimbursement of Expenses	20.02	-
Balance as on the Balance Sheet date:		
Current Assets	19.39	-

O. PT United Phosphorus Indonesia

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Sale	1.22	-
Balance as on the Balance Sheet date:		
Current Assets	1.22	-

P. Key Managerial Personnel and their relatives

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Remuneration	121.20	137.82

9 (a). Loans and advances include dues from companies under same management:

Particulars	Current Year (Rs. in lacs)		Previous Year (Rs. in lacs)	
	Amount outstanding at the end of the year	Maximum amount of loan outstanding during the year	Amount outstanding at the end of the year	Maximum amount of loan outstanding during the year
Advanta Holdings B.V.	29,441.99	29,441.99	-	-
Pacific Seeds Pty Ltd	132.43	134.45	134.45	288.15
Advanta Semillas SAIC	70.18	70.18	43.35	43.35
Unicorn Seeds Private Limited	1,496.48	2,822.76	1,132.31	1,199.69
PT Advanta Seeds Indonesia	19.39	19.39	-	-

10. Details of Employee Benefits – Gratuity

(i) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**Profit and Loss account**

	F 2010 (Rs. in lacs)	F 2009 (Rs. in lacs)	F 2008 (Rs. in lacs)	F 2007 (Rs. in lacs)
Net employee benefit expenses (recognized in Employee Cost)				
Current service cost	23.34	27.25	24.00	18.23
Interest cost on benefit obligation	9.28	10.01	7.82	5.59
Expected return on plan assets	(1.97)	(2.49)	(1.61)	(2.18)
Net actuarial loss/(gain) recognised during the Year	1.33	(13.74)	7.22	24.91
Net Benefit expense	31.98	21.03	37.43	46.55
Actual return on plan assets	1.85	-	1.39	4.25

Balance sheet

	F 2010 (Rs. in lacs)	F 2009 (Rs. in lacs)	F 2008 (Rs. in lacs)	F2007 (Rs. in lacs)
Details of Provision for gratuity				
Defined Benefit obligation	122.00	112.55	104.42	81.99
Fair value of plan assets	4.13	(24.67)	(13.39)	(10.98)
Plan Liability	117.87	87.88	91.03	71.01

Changes in the present value of the defined benefit obligation are as follows:

	F 2010 (Rs. in lacs)	F 2009 (Rs. in lacs)	F 2008 (Rs. in lacs)	F 2007 (Rs. in lacs)
Opening defined benefit obligation	112.55	104.42	81.99	69.73
Interest Cost	9.28	10.01	7.82	5.59
Current service cost	23.34	27.25	24.00	18.23
Benefits paid	(24.39)	(12.90)	(16.39)	(38.54)
Actuarial (gains)/loss on obligation	1.21	(16.23)	7.00	26.98
Closing defined benefit obligation	121.99	112.55	104.42	81.99

Changes in the fair value of Plan Assets are as follows:

	F 2010 (Rs. in lacs)	F 2009 (Rs. in lacs)	F 2008 (Rs. in lacs)	F 2007 (Rs. in lacs)
Opening fair value of plan assets	24.67	13.39	10.98	44.39
Expected return	1.97	2.49	1.61	2.18
Contributions made by employer during the Year	2.00	24.18	17.41	0.88
Benefits paid	(24.39)	(12.90)	(16.39)	(38.54)
Actuarial gains/ (loss)	(0.12)	(2.49)	(0.22)	2.07
Closing fair value of plan assets	4.13	24.67	13.39	10.98

SCHEDULE T NOTES TO ACCOUNTS (Continued)

	(Rs. in lacs)
Expected contribution to defined benefit plan for the year 2011	36.78

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	F 2010	F 2009	F 2008	F 2007
Insurer Managed Funds (LIC)	100%	100%	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

The principal actuarial assumptions at the Balance Sheet date.

	F 2010	F 2009	F 2008	F 2007
Discount rate	8.50 %	8.25 %	8.00 %	8.00 %
Expected rate of return on plan assets	8.00 %	8.00 %	8.00 %	8.00 %
Expected rate of salary increase	6.00 %	6.00 %	6.00 %	6.00 %
Employee Turnover	2.00 %	2.00 %	2.00 %	2.00 %
Mortality table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Experience adjustment for current year for gratuity:

	Current Year	Previous Year
On plan assets loss / (gain)	(0.12)	(13.09)
On plan liabilities gain /(loss)	4.21	(2.49)

Notes

- The estimates of future salary increases, considered in actuarial valuation, takes account of Inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The disclosure in respect of status of defined benefits obligation have been given for the current year and the three previous years since the Company have adopted AS 15 (Revised) in the year F2007.

(ii) Defined Contribution Plans

Amount of Rs.130.52 lacs (Previous Year: Rs. 132.27 lacs) is recognised as an expense and included in Schedule Q – ‘Contribution to Provident and Other Funds’ in the Profit and Loss account.

SCHEDULE T NOTES TO ACCOUNTS (Continued)**11. Leases:****Operating Lease**

Office Premises, motorcars are obtained on Operating lease. The lease term is in the range of 3 years to 30 years and thereafter renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is Rs. 462.98 lacs. (Previous Year: Rs.516.24 lacs)

Particulars	As at December 31, 2010 (Rs. in lacs)	As at December 31, 2009 (Rs. in lacs)
Lease Payments		
Not later than one year	239.29	179.65
Later than one year and not later than five years	394.52	275.53
More than five years	179.71	180.26

12. Earnings Per Share:**(A) Basic Earnings Per Share:**

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Net Profit attributable to equity shareholders	(2,976.15)	(4,143.00)
Weighted Average Number of Equity Shares outstanding	16,844,760	16,839,128
Basic Earnings per share (Rs.):	(17.67)	(24.60)
Nominal value of equity shares (Rs.)	10.00	10.00

(B) Diluted Earnings Per Share:

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Net Profit	(2,976.15)	(4,143.00)
Weighted Average Number of Equity Shares outstanding	16,844,760	16,839,128
Dilutive impact of employee stock options	150,511	160,862
Weighted Average Number of Equity Shares for computing diluted earnings per share	16,995,271	16,999,990
Diluted Earnings per share (Rs.)	(17.51)	(24.37)
Nominal value of equity shares (Rs.)	10.00	10.00

Basic and Diluted earnings per share are calculated by dividing the net profit for the Year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

SCHEDULE T NOTES TO ACCOUNTS (Continued)

13. Provision for Milestone Payments

The Company had entered into a business purchase agreement (BPA) on January 4, 2008 with the erstwhile promoters of Unicorn Seeds Private Limited (USPL) for acquisition of their entire shareholding in USPL. Pursuant to the BPA, the Company had recognized a provision of Rs. 1,000 lacs for milestone payable on achievement of certain targets upto June 30, 2010. Subsequent to the year-end, the Company has executed a Letter of Intent as a part of the settlement with erstwhile promoters of USPL, pursuant to which payment to the extent of Rs. 650 lacs has been agreed. Accordingly, the Company has recorded an adjustment in the current financial statements of write back of the said liability being no longer payable of Rs. 350 lacs, with corresponding reduction in the carrying value of investment in USPL. The agreement between the erstwhile promoters and the Company is to be executed.

14. Research and Development Expenses:

a) Revenue	Rs. 790.87 lacs (Previous Year: Rs. 992.32 lacs)
b) Capital	Rs. 32.35 lacs (Previous Year: Rs. 189.94 lacs)

15. Particulars of Un-hedged Foreign Currency Exposure as at the Balance Sheet date:

Particulars	Currency	As at 31st December 2010 (Rs. in lacs)	As at 31st December 2009 (Rs. in lacs)
Investments	USD	0.99	0.99
	Euro	623.95	601.45
Exports Debtors	USD	1.36	0.25
	Euro	1.30	-
Other Receivables	USD	5.18	4.03
	AUD	0.01	-
Dividend Receivable	USD	2.50	5.00
Import Creditors	Euro	1.16	1.68
	USD	1.60	1.78
	AUD	0.39	0.39
	Thai Bahts	3.00	3.00

16. In accordance with the Accounting Standard 26 issued by ICAI, the following information relates to Intangible assets.

Description of Assets	Current Year		Previous Year	
	Carrying amount of assets (Rs. in lacs)	Remaining amortization years	Carrying amount of assets (Rs. in lacs)	Remaining amortization years
Technical Know-how	304.50	5 years	362.50	6 years
Technology License Fees	1.07	0.4 years	7.47	1 year
Germ Plasm	559.45	7 years	641.00	8 years
Software	100.94	7 years	114.55	8 years
Trade Marks / Brands	3,627.95	7 years	4,208.41	8 years

SCHEDULE T NOTES TO ACCOUNTS (Continued)**17. Prior period (income) / expense (net):**

Particulars	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
Interest on Loans and Deposits etc.,	(115.50)	-
Price Variance	167.56	14.14
Purchase of Chemicals	0.94	-
Total	53.00	14.14

18. Supplementary Statutory Information:**18.1 Director's Remuneration:**

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Salary	98.57	115.12
Perquisites	1.57	1.64
Contribution to Retirement Benefits	21.06	21.06
Total	121.20	137.82

- a. As the liabilities for leave encashment and gratuity are provided on an actuarial basis for the company as a whole, the amounts pertaining to the director are excluded in above.

18.2 Auditors' Remuneration (included under Legal and Consultancy Charges):

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Audit fees	18.00	18.00
Fee for Certification	0.28	0.57
Taxation Matters	0.75	0.75
Other	76.22	5.70
Total	95.25	25.02

Note:

Audit fees include fees for auditing consolidated financial statements amounting to Rs.6.00 lacs (Previous Year: Rs 6.00 lacs)

18.3 Licensed and Installed Capacity per annum

Particulars	Current Year	Previous Year
Licensed Capacity	Not Applicable*	Not Applicable*
Installed Capacity	Not Applicable*	Not Applicable*

* Since agricultural produce

SCHEDULE T NOTES TO ACCOUNTS (Continued)

18.4 Actual Production

Particulars	Current Year MT	Previous Year MT
Basic Seeds	108.67	137.03
Hybrid Seeds	7,511.26	10,198.53

18.5 Particulars in respect of Stocks

Particulars	Current Year		Previous Year	
	MT	Amount (Rs. in lacs)	MT	Amount (Rs. in lacs)
(i) Sales Hybrid Seeds	7,598.50	10,132.71	7,473.73	10,237.30
(ii) Purchases Hybrid Seeds Basic Seeds	1,942.87 101.26	2,339.47 69.12	1089.45 78.33	1,887.89 182.48
(iii) Opening Stock Hybrid seeds Basic Seeds	4,397.84 420.20	3,212.80 1,388.53	3,235.52 294.16	3,389.38 1,289.40
(iv) Closing Stock Hybrid Seeds Basic Seed	3,002.03 346.04	2,980.29 1,218.87	4,397.84 420.20	3,212.80 1,388.53

Note: Closing Stock quantities are after adjustment of samples, damaged, and obsolete stocks and includes substandard not sold.

18.6 Consumption of Raw Seeds

Particulars	Current Year		Previous Year	
	MT	Amount (Rs. in lacs)	MT	Amount (Rs. in lacs)
Raw Seeds Consumed	7,404.39	1,944.41	9,677.39	2,567.11

18.7 Consumption of Raw Materials :

Particulars	Current Year		Previous Year	
	(Rs. in lacs)	Percentage	(Rs. in lacs)	Percentage
A. Raw Seed consumed				
All Indigenous	1,944.41	100	2,567.11	100

SCHEDULE T NOTES TO ACCOUNTS (Continued)**18.8 Value of imports on C.I.F. basis:**

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Consumables	-	4.30
Capital Expenditure	19.75	124.25
Purchase of Seeds	368.51	644.55

18.9 Expenditure in Foreign Currency (on accrual basis):

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Travel	13.02	17.41
Legal and Professional Charges	55.63	1.48
Others Expenses	64.50	36.51

18.10 Earnings in Foreign Exchange (on accrual basis):

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Value of exports of goods on F.O.B. value	1,378.03	2,248.29
Dividend	-	484.65

19. Up to December 31, 2010, the Company has incurred Rs. 53.21 lacs in connection with the proposed rights issue of its equity shares. This amount shall be adjusted against securities premium arising from the proposed rights issue of equity shares, as permitted under section 78 of the Companies Act, 1956. Accordingly, this amount has been carried forward and disclosed separately under the head 'Miscellaneous Expenditure' in the Balance Sheet.

20. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W
Chartered Accountants

per Sudhir Soni

Partner
Membership Number.: 41870

Place : Hyderabad
Date : February 28, 2011

Vikram R. Shroff
Director

Manoj Gupta
Chief Financial Officer

Place : Hyderabad
Date : February 28, 2011

V. R. Kaundinya
Managing Director

Pushpalatha K
Company Secretary

**Additional information as required under Part IV of Schedule VI to the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. : 063664 State Code : 01
Balance Sheet Date : 31-12-10

II. Capital raised during the year (Amount in Rs.Thousands)

Public issue	Rights issue	Bonus issue	Private Placement*
NIL	NIL	NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	Total Assets
8808131	8808131

Sources of Funds

Paid up Capital *	Reserves&Surplus	Secured Loans	Unsecured Loans
168520	3780898	351256	4506818

Share Application Money

639

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Misc.Expenditure
635689	4125851	3763213	5321

Accumulated Losses

278057

IV. Performance of Company (Amount in Rs.Thousands)

Turnover	Total Expenditure +/-	Prior Period Expenditure +/-	Profit/loss before tax
1405222	- 1697536	+ 5300	= (-)297614

Profit/loss after tax	Earnings per Share including Exceptional Income	Earnings per Share excluding Exceptional Income	Dividend rate%
(-)297614	(-)17.67	(-)17.67	-
	On weighted average number of Shares	On weighted average Number of Shares	

V. Generic Names of Principal Products/Services of Company (Not Applicable)

Item Code No. (ITC CODE)	12-06
Product Description	SUNFLOWER SEEDS
Item Code No. (ITC CODE)	10-05
Product Description	MAIZE SEEDS
Item Code No. (ITC CODE)	10-06
Product Description	RICE SEEDS

For and on behalf of the Board of ADVANTA INDIA LIMITED

Vikram R. Shroff
Director

V. R. Kaundinya
Managing Director

Manoj Gupta
Chief Financial Officer

Pushpalatha K
Company Secretary

Statement Pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Companies for the year ended 31 December 2010

Sr No	Particulars	Financial Year	Shareholding		The net aggregate of Profit/(Loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt within the accounts of the Company		Change in the Holding Companies Interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding companies financial year	Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding companies financial year in respect:
			Number of Shares	%	Financial Year ended on 31st December 2010 (Rs. In Lacs)	Previous Year (Rs. In Lacs)		
1	Advanta Holdings BV	31/12/2010	3,053	100	(1,486.54)	(1,112.84)	do	do
2	Advanta Netherlands Holdings BV	31/12/2010	180	100	1,418.31	678.44	do	do
3	Advanta International BV	31/12/2010	180	100	(325.30)	(245.46)	do	do
4	Advanta Finance BV	31/12/2010	180	100	31.25	(9.50)	do	do
5	Advanta Semillas SA I C	31/12/2010	993	100	(177.47)	734.37	do	do
6	Longreach Plant Breeders Management Pty. Ltd	31/12/2010	2	100	(908.43)	(616.66)	do	do
7	Pacific Seeds Pty Ltd	31/12/2010	611,007	100	608.72	68.59	do	do
8	Pacific Seeds Holdings (Thai) Ltd	31/12/2010	84,093	70	(490.59)	1,308.01	do	do
9	Pacific Seeds (Thai) Ltd	31/12/2010	5,000,000	100	346.00	(512.34)	do	do
10	Advanta Seed International	31/12/2010	299,993	100	1,626.38	5,892.61	do	do
11	Unicorn Seeds Pvt Ltd	31/12/2010	1,000	100	(518.81)	257.11	do	do
12	Advanta US Inc	31/12/2010	17,469,633	100	71.98	217.08	do	do
13	Advanta Seeds Limited	31/12/2010	49,994	100	(0.29)	(0.10)	do	do
14	Pt Advanta Seeds Indonesia	31/12/2010	100,000	100	(50.12)	(0.48)	do	do
15	Advanta Comercio De Sementes LTDA	31/12/2010	187,375	100	(50.59)	(42.64)	do	do

Abridged Financial Information of subsidiaries as at 31.12.2010

(INR in Lacs)

Sr. No.	Subsidiary	Location / Country	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of investment in Subsidiaries)	Turnover	Profit / Loss Before Taxation	Provision for Taxation Exp / (Inc)	Profit / Loss After Taxation	Proposed Dividend
1	Advanta Finance BV	Netherlands	10.77	17,976.44	19,288.68	19,288.68	-	-	35.89	7.81	31.25	-
2	Advanta Holdings BV	Netherlands	17,904.22	8,043.07	72,035.67	72,035.67	-	-	(1,988.50)	(499.45)	(1,486.54)	-
3	Advanta International BV	Netherlands	10.77	(977.47)	6,419.24	6,419.24	-	-	(443.14)	(101.98)	(325.20)	-
4	Advanta Netherlands Holdings BV	Netherlands	10.77	38,827.26	45,777.60	45,777.60	-	129.31	1,867.75	476.09	1,418.31	-
5	Advanta US Inc	USA	368.78	658.79	19,802.71	19,802.71	-	12,140.84	118.54	46.56	71.98	-
6	Pacific Seeds Holdings (Thai) Ltd	Thailand	1.49	(902.43)	10,575.62	10,575.62	-	-	(700.82)	(210.23)	(490.59)	-
7	Pacific Seeds Thai Ltd	Thailand	125.12	7,601.12	11,634.74	11,634.74	-	6,654.45	360.07	14.07	346.00	-
8	Advanta Seed International	Mauritius	0.00	8,904.71	11,160.48	11,160.48	-	5,558.02	1,676.68	50.30	1,626.38	-
9	Advanta Semillas SA I C	Argentina	6,089.25	(2,468.66)	12,002.08	12,002.08	-	13,253.48	283.50	460.97	(177.47)	-
10	LongReach Plant Breeders Management Pty Ltd	Australia	3,221.05	(3,163.38)	3,934.77	3,934.77	-	-	(1,297.76)	(389.33)	(908.43)	-
11	Pacific Seeds Pty Ltd	Australia	2,278.82	12,324.93	27,890.70	27,890.70	-	21,033.43	1,977.88	202.38	608.72	-
12	Unicom Seeds Pvt Ltd	India	136.10	200.07	3,064.56	3,064.56	-	1,544.74	(409.64)	(31.64)	(518.81)	0.75
13	Advanta Seeds Ltd	India	5.00	(3.04)	2.14	2.14	-	-	(0.29)	-	(0.29)	-
14	Pt Advanta Seeds Indonesia	Indonesia	54.27	(50.98)	582.42	582.42	-	430.31	(66.83)	(16.71)	(50.12)	-
15	Advanta Comercio De Sementes LTDA	Brazil	50.54	(96.20)	128.17	128.17	-	174.27	(57.74)	(71.50)	(50.59)	-

Note: Exchange Rates considered for above calculation

Particulars	Euro	US \$	Thai Bhat	AU \$	Indonesian Rupiah	Brazilian Reas
Closing Rate (For Balance Sheet Items)	59.84	44.76	1.49	45.58	0.0049	26.97
Average Rate (For Profit and Loss Items)	63.46	45.65	1.44	43.73	0.0049	26.86

Auditor's Report

The Board of Directors
Advanta India Limited

1. We have audited the accompanying consolidated balance sheet of Advanta India Limited ('the Company') and its subsidiaries (the Advanta Group), as at December 31, 2010, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto (all together referred to as 'the consolidated financial statements'). These financial statements are the responsibility of the Advanta India Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Advanta U.S. Inc., U.S.A, and Advanta Seeds International, Mauritius whose financial statements prepared; under the generally accepted accounting principles ('GAAP') accepted in the United States of America ('US GAAP') and International Financial Reporting Standards ('IFRS') respectively in the aggregate, reflect total, assets, revenues, and net cash flows of Rs. 31,190.54 lacs, Rs. 18,674.01 lacs, and Rs. 164.63 lacs respectively. The financial statements of these subsidiaries have been prepared in accordance with accounting policies generally accepted as per the US GAAP and IFRS and have been audited by other auditors who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the shareholders of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management; examined by us on a test basis.
4. We did not audit the financial statements of subsidiaries, whose financial statements prepared under the generally accepted accounting principles accepted in India, reflect in relation to the amounts considered in the consolidated financial statements; total assets of 115,844.90 lacs as at December 31, 2010, the total revenue of Rs. 61,447.09 lacs, and the cash inflows amounting to Rs. 1,049.46 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of such subsidiaries, read with Paragraph 3 above, is based solely on the report of other auditors.
5. We report that the consolidated financial statements have been prepared by the Advanta India Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
6. The Auditor of a subsidiary company, viz. Longreach Plant Breeders Management Pty Ltd whose financial statements reflect total assets, revenues loss and cash flows of Rs. 3,934.77 lacs, Rs. 564.18 lacs, Rs. 1,297.76 lacs, and Rs. 0.50 lacs respectively, has drawn attention in the audit report relating to the Going Concern Assumption, i.e. the financial statements having been prepared on going concern basis, despite the accumulated losses exceeding the paid up share capital as at December 31, 2010 on the basis of representations of financial and operational support from the Company.

7. The Auditor of a subsidiary company, viz. Advanta Comercio de Sementes Ltda whose financial statements reflect total assets, revenues, loss, and cash flows of Rs. 128.16 lacs, Rs. 174.27 lacs, Rs.59.22 lacs, and Rs. 17.44 lacs respectively, has drawn attention in the audit report relating to the Going Concern Assumption i.e. the financial statements having been prepared on going concern basis, despite the negative working capital, negative equity and accumulating significant operating losses as at December 31, 2010 on the basis of representations of financial and operational support from the Company.
8. As indicated in Note No.10 of Schedule 21, the Group had, recognized deferred tax asset aggregating Rs. 1,848.20 lacs on the unused tax losses in the consolidated financial statements for the year ended December 31, 2009. During the year ended December 31, 2010, the Group has further recognized deferred tax asset of Rs. 97.78 lacs in the profit and loss account. There is no virtual certainty as required by Accounting Standard (AS) 22 `Accounting for Taxes on Income`, to indicate that it is probable that the said companies will have sufficient taxable profit against which such unused tax losses can be utilized. As a result of above, the consolidated profit after taxation for the year ended December 31, 2010 are higher by Rs. 97.78 lacs (Previous Year: higher by Rs. 1,152.90 lacs) and deferred tax assets and reserves and surplus as at December 31, 2010 are higher by Rs. 1,945.98 lacs (Previous Year: higher by Rs. 1,848.20 lacs). (Refer Note No. 10 of Schedule 21). Our audit report on the consolidated financial statements for the year ended December 31, 2009 was also modified in respect of the above matter.
9. Consolidated Segment Information has not been given in the consolidated financial statements as required by Accounting Standard (AS) 17, `Segment Reporting` for reasons explained in Note 15 of Schedule 21. The said disclosure does not have any impact on the profit for the year and the reserves as at December 31, 2010. Our audit report on the consolidated financial statements for the year ended December 31, 2009 was also modified in respect of the above matter.
10. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, except for the effects of matters stated in paragraphs 8 and 9 above as described therein, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Advanta India Limited Group as at December 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership Number: 41870

Place : Hyderabad
Date : February 28, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2010

	Schedule	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Capital	1	1,685.20		1,684.16
b) Share Application Money Pending Allotment		6.39		-
c) Reserves and Surplus	2	48,582.54		49,406.85
		<u>50,274.13</u>		<u>51,091.01</u>
2. Loan Funds				
a) Secured Loans	3	15,235.37		10,818.58
b) Unsecured Loans	4	45,590.07		36,286.12
			60,825.44	47,104.70
3. Minority Interest			-	112.50
4. Deferred Tax Liabilities (Refer Note No. 10 in Schedule 21)	5		1,421.57	523.39
Total			<u>112,521.14</u>	<u>98,831.60</u>
II. APPLICATION OF FUNDS				
1. Fixed Assets	6			
a) Gross Block		84,377.78		77,867.13
b) Less: Accumulated Depreciation / Amortisation		14,926.41		12,473.99
c) Net Block		69,451.37		65,393.14
d) Capital Work-in-Progress including capital advances		1,611.49		1,095.91
			71,062.86	66,489.05
2. Investments	7		0.55	50.55
3. Deferred Tax Assets (Refer Note No. 10 in Schedule 21)	5		6,239.17	3,415.08
4. Current Assets, Loans and Advances				
a) Inventories	8	32,299.39		26,198.65
b) Sundry Debtors	9	16,006.69		20,281.62
c) Cash and Bank balances	10	6,093.60		3,356.43
d) Other Current Assets	11	623.11		87.19
e) Loans and Advances	12	5,174.56		8,840.34
	(A)	<u>60,197.35</u>		<u>58,764.23</u>
Less : Current Liabilities and Provisions	13			
a) Liabilities		22,465.01		25,720.25
b) Provisions		2,566.99		4,167.06
	(B)	<u>25,032.00</u>		<u>29,887.31</u>
Net Current Assets	(A-B)		35,165.35	28,876.92
5. Miscellaneous Expenditure Share Issue Expenses (Refer Note No.15 in Schedule 21)		53.21	-	-
Total	21		<u>112,521.14</u>	<u>98,831.60</u>
Notes to Consolidated Accounts	21			

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our Report of even date

For and on behalf of the Board of
Advanta India Limited

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 28, 2011

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 28, 2011

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

	Schedule	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
I. Income				
Sales		70,924.12		69,839.22
Less: VAT		4,639.60		3,577.59
Less: Rebates and Discounts		927.07		1,202.95
			65,357.45	65,058.68
Other Income from Operations	14		4,890.92	4,512.35
Other Income	15		403.70	263.01
			70,652.07	69,834.04
II. Expenditure				
Cost of goods manufactured/Raw material consumed	16	31,237.11		35,925.80
(Increase) / Decrease in stocks	17	205.51		(4,075.89)
Personnel Expenses	18	12,597.24		11,217.52
Operating and Other expenses	19	19,072.55		16,422.56
Interest and Other Financial Costs	20	6,828.24		6,203.26
Depreciation / Amortisation		2,365.76		2,174.18
			72,306.41	67,867.43
III. Profit / (Loss) Before Prior Period, Exceptional Items and Taxation				
Prior Period Adjustments (Refer Note No.21 in Schedule 21)		(144.88)		(302.65)
Exceptional Items (Refer Note No.20 in Schedule 21)		(1,362.50)		-
			(1,507.38)	(302.65)
IV. Profit / (Loss) Before Taxation				
Provision for Taxation:			(3,161.72)	1,663.96
- Current Tax		706.04		952.61
- MAT Credit Entitlement		(45.55)		(110.34)
- Deferred Tax		(658.79)		(1,265.90)
- Fringe Benefit Tax		-		12.70
- Excess provision for taxation for earlier years		(195.72)		(445.14)
			(194.02)	(856.07)
IV. Profit / (Loss) After Taxation				
Add / (Less): Minority Interest			222.41	185.00
NET PROFIT / (LOSS)			(2,745.29)	2,705.03
Add: Surplus brought forward from Previous Year			16,399.50	13,891.51
VI. Profit available for appropriation				
Appropriations				
Proposed Preference Dividend		-		168.42
Dividend Distribution Tax		-		28.62
			-	197.04
Surplus carried to Balance Sheet				
Consolidated Earning per share:				
Basic			(16.30)	16.06
Diluted			(16.15)	15.91
Face Value Per Share (in Rs.)			10.00	10.00
(Refer Note No.11 in Schedule 21)				
Notes to Consolidated Accounts	21			

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account
As per our Report of even date

For and on behalf of the Board of

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 28, 2011

Advanta India Limited

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 28, 2011

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

	For the year ended December 31, 2010		For the year ended December 31, 2009	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Taxation		(1,654.34)		1,966.61
Adjustments for :				
Depreciation / Amortisation	2,365.76		2,174.18	
Profit on sale of Fixed Assets	-		(20.99)	
Assets written off	-		13.38	
Provision for Doubtful Debts & Advances	398.50		361.53	
Provision for Litigation	41.96		338.36	
Provisions written back	(299.32)		(276.24)	
Interest income	(98.80)		(64.76)	
Income from Current Investment	(11.97)		(0.55)	
Interest Expense	5,555.72		3,911.70	
Exchange Difference on loans taken	535.46		1,137.63	
		<u>8,487.31</u>		<u>7,574.24</u>
Operating Profit before working capital changes		6,832.97		9,540.85
Adjustments for:				
(Increase) / Decrease in Inventories	(6,100.74)		(6,562.76)	
(Increase) / Decrease in Sundry Debtors	3,876.43		(3,051.67)	
(Increase) / Decrease in Other Current Assets	(613.17)		406.19	
(Increase) / Decrease in Loans and Advances	3,042.98		(3,930.41)	
Increase / (Decrease) in Current Liabilities	(1,751.66)		7,735.12	
Increase / (Decrease) in Provisions	(1,444.98)		(2,813.46)	
		<u>(2,991.14)</u>		<u>(8,216.99)</u>
Cash generated from Operations (before exceptional and prior period items)		3,841.83		1,323.86
Prior Period Adjustments (Other than Taxation)		(144.88)		(302.65)
Exceptional Items		(1,362.50)		-
Direct taxes paid		157.91		(1,638.18)
Net cash (used in) / from Operating Activities (A)		<u>2,492.36</u>		<u>(616.97)</u>
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and Intangible Assets		(7,669.43)		(2,859.74)
Sale of fixed assets		666.74		67.93
Redemption of Investments		50.00		-
(Deposit) / Maturity of Fixed Deposits		(1,339.78)		127.84
Interest received		176.05		62.13
Income from Current Investments		11.97		0.55
Net Cash used in Investing Activities (B)		<u>(8,104.45)</u>		<u>(2,601.29)</u>
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings (Net)		43,565.03		28,717.32
Repayment of borrowings		(30,379.75)		(25,418.78)
Proceeds from Issue of equity shares		1.04		0.49
Share Application Money		6.39		(2.46)
Miscellaneous Expenditure		(53.21)		-
Securities premium received		13.47		13.69
Interest paid		(6,650.21)		(4,076.02)
Dividend Paid		(168.15)		(168.33)
Tax on distributed Profits		(28.63)		(28.75)
Net cash (used in) / from Financing Activities (C)		<u>6,305.98</u>		<u>(962.84)</u>
Exchange Difference arising on conversion (debited to Foreign Currency Translation Reserve) (D)		703.50		1,325.30
Net increase in cash and cash equivalents (A+B+C+D)		<u>1,397.39</u>		<u>(2,855.80)</u>
Cash and cash equivalents at the beginning of the year		3,803.86		6,659.66
Cash and cash equivalents at the end of the year		5,201.25		3,803.86
Components of Cash and Cash Equivalents				
Cash on Hand		19.48		21.48
Bank Balances In India				
With Scheduled Banks				
In Current Accounts	557.42		160.84	
In Deposit Account	467.47		27.10	
		<u>1,024.89</u>		<u>187.94</u>
Bank Balances Outside India				
On Current Accounts	4,106.00		2,221.59	
On Deposit Accounts	943.23		925.42	
		<u>5,049.23</u>		<u>3,147.01</u>
Cheques on hand		-		-
		<u>6,093.60</u>		<u>3,356.43</u>
Less: Long term deposits considered in investing activities		(892.35)		447.43
Cash and Cash equivalents considered for cash flows		<u>5,201.25</u>		<u>3,803.86</u>

As per our Report of even date
For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W
 Chartered Accountants

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 28, 2011

For and on behalf of the Board of
Advanta India Limited

Vikram R. Shroff
 Director

Manoj Gupta
 Chief Financial Officer

Place : Hyderabad

Date : February 28, 2011

V. R. Kaundinya
 Managing Director

Pushpalatha K
 Company Secretary

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE 1			
SHARE CAPITAL			
Authorised			
6,00,00,000 (Previous Year : 7,50,00,000) Equity Shares of Rs. 10 /- each		6,000.00	7,500.00
1,50,00,000 (Previous Year : Nil) Preference Shares of Rs. 10 /- each		<u>1,500.00</u>	<u>-</u>
Issued , Subscribed and Paid-up			
1,68,51,989 (Previous Year : 1,68,41,638) Equity Shares of Rs.10/- each fully paid-up		1,685.20	1,684.16
Total		<u><u>1,685.20</u></u>	<u><u>1,684.16</u></u>
(For details of Stock options outstanding refer Note No.4 in Schedule 21).			
SCHEDULE 2			
RESERVES AND SURPLUS			
Capital Reserve			
State Investment Subsidy (Refer Note No.7 Schedule 21)		20.00	20.00
General Reserve		1,816.10	1,816.10
Securities Premium Account			
Balance as per last Balance Sheet	35,242.19		35,228.50
Add : Received during the year on issue of equity shares	28.47		13.69
Less: Adjustment for debenture issue expenses	<u>(15.00)</u>		<u>-</u>
		35,255.66	35,242.19
Revaluation Reserve		569.54	569.54
Amalgamation adjustment account		717.21	717.21
Foreign Currency Translation Reserve			
Balance as per last Balance Sheet	(5,357.69)		(7,382.22)
Add: Arisen during the year	<u>1,907.51</u>		<u>2,024.53</u>
		(3,450.18)	(5,357.69)
Balance in Profit and Loss Account		<u>13,654.21</u>	<u>16,399.50</u>
Total		<u><u>48,582.54</u></u>	<u><u>49,406.85</u></u>
SCHEDULE 3: SECURED LOANS			
From Banks:			
On Cash Credit Account and Packing Credit Loan		12,733.78	7,818.05
On Working Capital Demand Loan		2,489.99	2,986.76
Interest accrued and due		<u>11.60</u>	<u>13.77</u>
		15,235.37	10,818.58
Total		<u><u>15,235.37</u></u>	<u><u>10,818.58</u></u>

The aforesaid loans are secured by pari passu first charge by way of hypothecation of entire stocks of raw materials, finished goods, work-in-process, consumable stores and spares and such other movables including book-debts, outstanding monies, receivables, both present and future.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE 4		
UNSECURED LOANS		
Term Loans:		
From Bank*	6,559.27	9,500.00
From Others	553.28	24,786.12
Bill Discounting	977.52	-
Commercial Paper [Maximum amount outstanding during the year Rs.2,000 (Previous Year: 2,000)]	-	2,000.00
Non Convertible Debentures [Unsecured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each are redeemable at par at the end of five years from the date of allotment viz. March 13, 2010, and September 25, 2010, or at every interest payment date, which is on quarterly basis at the option of the Company]	37,500.00	-
Total	<u>45,590.07</u>	<u>36,286.12</u>
<i>*Amount repayable within one year</i>	2,477.52	6,500.00
SCHEDULE 5		
DEFERRED TAX		
Deferred Tax Liabilities		
On account of depreciation / amortisation	1,165.95	264.71
Others	255.62	258.68
	1,421.57	523.39
Total	<u>1,421.57</u>	<u>523.39</u>
Deferred Tax Assets		
On provision for doubtful debtors and advances	146.21	102.30
On expenditure that is allowed on payment basis	2,252.46	807.38
Carry forward losses (Refer Note No. 10 in Schedule 21)	1,945.98	1,848.20
Others	1,894.52	657.20
	6,239.17	3,415.08
Total	<u>6,239.17</u>	<u>3,415.08</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET
SCHEDULE 6
FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st January, 2010	Additions During the year	Foreign Exchange Adjustment	Deductions/ (Adjustments) During the year	As at 31st December 2010	As at 1st January, 2010	Provided for the year	Deductions/ (Adjustments) During the year	Foreign Exchange Adjustment	As at 31st December, 2010	As at 31st December, 2009
TANGIBLE :											
Land-Freehold*	2,609.43	123.83	186.77	-	2,920.03	-	-	-	-	2,920.03	2,609.43
Land-Leasehold	42.29	-	3.73	5.98	40.04	-	-	5.25	1.78	23.33	22.11
Buildings-Freehold	3,829.93	510.64	(7.01)	12.05	4,321.51	139.96	8.53	8.53	46.57	3,113.53	2,799.95
Plant and Machinery	9,464.29	602.51	446.88	114.14	10,399.54	685.95	115.17	115.17	310.47	3,609.78	3,555.78
Furniture and Fixtures	1,439.31	55.26	62.60	88.99	1,468.18	101.28	85.19	85.19	52.65	272.71	312.58
Motor Vehicles	928.60	67.31	35.63	153.43	878.11	96.10	143.71	143.71	28.56	164.63	196.07
Vehicles taken on lease	91.04	-	(3.48)	-	87.56	5.82	-	-	(2.41)	21.19	28.08
Lease Hold Improvements	-	59.22	-	-	59.22	2.34	-	-	2.34	56.88	-
INTANGIBLE:											
Goodwill**	45,320.43	4,108.45	(85.45)	650.00	48,693.43	-	-	-	-	48,693.43	45,320.43
Technical Knowhow	1,095.35	-	-	-	1,095.35	58.00	-	-	-	304.50	362.50
Technology Licence Fees	673.50	75.64	(24.54)	-	724.60	70.48	-	-	(3.61)	538.88	554.65
Software	260.91	-	11.00	-	271.91	13.61	-	-	11.00	100.94	114.55
Germ Plasm	815.49	-	-	-	815.49	81.55	-	-	-	559.45	641.00
Project Sunsat (Development Cost)	3,487.14	1,550.99	(376.20)	-	4,661.93	320.04	-	-	(37.19)	4,034.35	3,142.41
Brands / Trade Marks #	7,802.43	-	131.74	-	7,934.17	793.42	-	-	33.28	5,032.99	5,727.95
NGSP Research	6.98	-	(0.27)	-	6.71	0.67	-	-	(0.05)	4.75	5.64
Total	77,867.12	7,153.85	381.40	1,024.59	84,377.78	2,369.22	357.85	441.05	14,926.41	69,451.37	65,393.13
Previous Year	73,655.20	3,005.14	1,470.32	263.53	77,867.13	2,221.08	203.21	803.43	12,473.99		
Capital Work-in-progress										1,611.49	1,095.91
Total										71,062.86	66,489.04

Notes:

* Land in the subsidiary, Pacific Seeds Pty Limited, Australia was revalued during the previous year ended December 2009 and as a result there is an increase of Rs.Nil (Previous Year: Rs.569.54 lacs) based on the Independent Valuation.

** Goodwill represents the excess of consideration paid towards acquisition of subsidiaries over the net assets acquired, arising on consolidation of such subsidiaries Rs. 41,739.96 lacs (Previous Year: Rs. 42,089.96 lacs).

Brands amounting to Rs.6,304.71 lacs are still to be transferred in the name of the Company.

SCHEDULE FORMING PART OF THE BALANCE SHEET

	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE 7			
INVESTMENTS			
Unquoted Other than trade			
A. Long-Term - At cost			
Government Securities			
National Savings Certificate	0.44		0.44
Indira Vikas Patra	0.11		0.11
Equity shares of Old Irrigation Co-operative	0.46		0.42
Equity shares of East Kimberly Co-operative	0.32		0.30
	1.33		1.27
Less: Provision for dimunition in value of investments	0.78		0.72
		0.55	0.55
B. Other Investments			
Nil (Previous Year: 500 Bonds of Rural Electrification Corporation of Rs.10,000 /- each fully paid up)		-	50.00
Total		0.55	50.55
SCHEDULE 8			
INVENTORIES (at lower of cost and net realisable value)			
Stores and Spares and Consumables		591.66	406.80
Packing Materials		859.97	822.35
Raw Materials		9,185.02	2,524.77
Work - in - Process		4,180.45	5,314.88
Raw Seeds		763.98	734.83
Finished Goods		16,718.31	16,395.02
Total		32,299.39	26,198.65
SCHEDULE 9			
SUNDRY DEBTORS			
UNSECURED			
Considered good	16,006.69		20,281.62
Considered doubtful	1,158.21		791.40
		17,164.90	21,073.02
Less: Provision for Doubtful Debts		1,158.21	791.40
Total		16,006.69	20,281.62
SCHEDULE 10			
CASH AND BANK BALANCES			
Cash on hand		19.48	21.48
Bank Balances in India			
With Scheduled Banks			
On Current Accounts	557.42		160.84
On Deposit Accounts	22.00		27.10
On Margin Money Deposit (Under lien with bank)	445.47		-
		1,024.89	187.94
Bank Balances Outside India			
On Current Accounts	4,106.00		2,221.59
On Deposit Accounts	943.23		925.42
		5,049.23	3,147.01
Total		6,093.60	3,356.43

SCHEDULE FORMING PART OF THE BALANCE SHEET

	(Rs. in lacs)	As at 31 st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
SCHEDULE 11			
OTHER CURRENT ASSETS			
Interest on loans and deposits		-	77.25
Others		623.11	9.94
Total		623.11	87.19
SCHEDULE 12			
LOANS AND ADVANCES			
(Unsecured, Considered good, unless otherwise stated)			
Advances			
Advances Recoverable in cash or in kind or for value to be received			
Considered good	2,156.01		5,457.06
Considered doubtful	103.43		103.43
	2,259.44		5,560.49
Less: Provision for doubtful advances	103.43		103.43
		2,156.01	5,457.06
Deposits with Government, Public Bodies, Others etc;		1,131.99	873.92
Payment of Taxes less Provisions for taxation		1,741.81	2,401.56
MAT Credit Entitlement		144.75	107.80
Total		5,174.56	8,840.34
SCHEDULE 13			
CURRENT LIABILITIES AND PROVISIONS			
Liabilities			
Sundry Creditors		13,783.25	10,909.08
Advances from customers		1,969.70	2,569.06
Security Deposits		169.90	226.41
Unpaid Dividend		0.33	0.06
Interest accrued but not due on loans		4.46	1,098.95
Milestone Payable (refer note no. 14(1) in Schedule 21)		650.00	-
Other Liabilities		5,887.37	10,916.69
Total		22,465.01	25,720.25
Provisions			
For Employee Benefits (refer note no. 19 in Schedule 21)		1,582.40	1,380.30
For Milestone Payments		911.53	2,556.52
For Litigations		72.94	33.07
Proposed Dividend		-	168.42
Dividend Distribution Tax		0.12	28.75
Total		2,566.99	4,167.06

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE 14			
OTHER INCOME FROM OPERATIONS			
Business Development Fees		684.68	1,022.16
Sale of Remnants and Other Scrap		294.93	128.67
Royalty Received		1,514.39	1,726.67
Commission on Sales		-	5.69
Provisions written back		299.32	276.24
Exchange difference (net)		918.91	57.17
Miscellaneous Income		1,178.69	1,295.75
Total		4,890.92	4,512.35
SCHEDULE 15			
OTHER INCOME			
Interest on loans and deposits etc.		98.80	64.76
Income from current investments (gross)		11.97	0.55
Profit on sale of fixed assets (net)		65.75	20.99
Exchange difference (net)		215.17	118.45
Miscellaneous Income		12.01	58.26
Total		403.70	263.01
SCHEDULE 16			
COST OF GOODS MANUFACTURED/RAW MATERIAL CONSUMED			
Raw material / seed consumed		9,814.03	15,610.99
Purchase of seeds		9,568.17	7,405.58
Seeds Processing charges and other charges		4,316.31	4,915.08
Land lease charges for seed production		4,922.98	5,328.33
Chemical and fertilizer consumed		1,220.50	977.82
Freight Inwards		1,395.12	1,688.00
Total		31,237.11	35,925.80

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE 17			
(INCREASE) / DECREASE IN STOCK			
Inventories at the beginning of the year			
Work-in-process	3,901.34		2,415.02
Finished goods	17,008.17		12,918.79
		20,909.51	15,333.81
Inventories at the end of the year			
Work-in-process	4,206.14		3,462.29
Finished goods	16,497.86		15,947.41
		20,704.00	19,409.70
		205.51	(4,075.89)
SCHEDULE 18			
PERSONNEL EXPENSES			
Salaries, wages and bonus		11,533.23	10,134.89
Contribution to provident and other funds		609.23	595.09
Gratuity Expense (Refer note 19 in Schedule 21)		145.52	222.92
Workmen and staff welfare expenses		309.26	264.62
Total		12,597.24	11,217.52
SCHEDULE 19			
OPERATING AND OTHER EXPENSES			
Stores and spares consumed		357.49	984.76
Power and fuel		489.42	433.18
Repairs			
- Buildings	125.95		210.54
- Machinery	377.92		233.17
- Others	196.45		103.92
		700.32	547.63
Rent (Refer note 12 in Schedule 21)		2,390.82	1,669.53
Rates and taxes		410.01	410.10
Insurance		511.31	274.43
Commission		1,497.68	1,235.59
Packing, freight and transport		1,713.68	1,879.67
Travelling and conveyance		1,887.37	1,790.55
Communication expenses		353.59	356.18
Printing and stationery		117.65	139.72
Advertisement and sales promotion		1,166.41	945.99
Royalty		443.59	82.94
Production and farm expenses		403.28	422.87
Bad debts written off (net)		105.42	4.16
Provision for doubtful debts and advances		398.50	361.53
Provision for stock damages		344.86	173.25
Inventory written off		1,656.97	1,338.15
Provision for litigation		41.96	338.36
Consignee agents' expenses		-	6.37
Legal and consultancy charges		1,172.71	931.84
Asset written off		-	13.38
Miscellaneous expenses		2,909.51	2,082.38
Total		19,072.55	16,422.56

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE 20			
INTEREST AND OTHER FINANCIAL CHARGES			
Interest on Loans and others		5,555.72	3,911.70
Bank charges		333.99	251.80
Exchange difference (net)		535.46	1,137.63
Cash and Advance Booking Discounts		403.07	902.13
	Total	6,828.24	6,203.26

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE 21

NOTES TO CONSOLIDATED ACCOUNTS

1. DESCRIPTION OF BUSINESS

Advanta India Limited ('the Holding Company') and some of its subsidiaries are principally engaged in research, development, production, distribution and marketing of hybrid agricultural field crop seeds and plant seeds for agricultural use. Certain other subsidiaries are predominantly holding companies with investments in the companies engaged in development of hybrid seeds. Advanta India Limited and its subsidiaries are hereinafter collectively referred to as 'the Group'.

2. PRINCIPLES OF CONSOLIDATION

(a) The Consolidated Financial Statements include accounts of Advanta India Limited ('the Holding Company') and its subsidiaries. Subsidiaries are those companies in which Advanta India Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.

(b) The subsidiaries of the Holding Company considered in the consolidated financial information are as given below:

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of holding
1	Advanta Holdings B.V.	Subsidiary	Netherlands	100%
2	Advanta Netherlands Holding B.V.	Subsidiary	Netherlands	100%
3	Advanta Finance B.V.	Subsidiary	Netherlands	100%
4	Advanta International B.V.	Subsidiary	Netherlands	100%
5	Pacific Seeds (Thai) Limited	Subsidiary	Thailand	100%
6	Pacific Seeds Holdings (Thai) Limited	Subsidiary	Thailand	100%
7	Pacific Seeds Pty Ltd	Subsidiary	Australia	100%
8	Advanta Semillas SAIC	Subsidiary	Argentina	100%
9	Advanta Seed International	Subsidiary	Mauritius	100%
10	Longreach Plant Breeders Management Pty Limited	Subsidiary	Australia	70%
11	Advanta US Inc	Subsidiary	USA	100%
12	Unicorn Seeds Private Limited	Subsidiary	India	100%
13	Advanta Seeds Limited	Subsidiary	India	100%
14	PT Advanta Seeds Indonesia	Subsidiary	Indonesia	100%
15	Advanta Comercio De Sementes LTDA.	Subsidiary	Brazil	100%

Notes:

- i) The ownership interest as given above has been calculated based on the effective interest of Advanta India Limited in the various subsidiaries including the investments made by its subsidiaries.
- ii) Pacific Seeds (Thai) Limited and Pacific Seeds Pty Limited are wholly owned subsidiaries of Pacific Seeds Holdings (Thailand) Limited and Advanta Finance B.V. respectively as at December 31, 2010.
- iii) Advanta Semillas SAIC is 90% held by Advanta International B.V. and 10% held by Advanta Netherlands Holdings B.V. as at December 31, 2010.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

- iv) 70% Holding of Longreach Plant Breeders Management Pty Limited is held by Pacific Seeds Pty Ltd as at December 31, 2010.
 - v) Advanta Finance B.V., Advanta International BV and Pacific Seeds Holdings (Thailand) Limited are wholly owned subsidiaries of Advanta Netherlands Holdings B.V. as at December 31, 2010.
 - vi) Advanta Netherlands Holdings B.V. and Advanta US Inc. are wholly owned subsidiaries of Advanta Holdings B.V. as at December 31, 2010.
 - vii) Advanta Holdings B.V., Advanta Seed International, Unicorn Seeds Private Limited and Advanta Seeds Limited are wholly owned subsidiaries of Advanta India Limited as at December 31, 2010.
 - viii) PT Advanta Seeds Indonesia is 99% held by Advanta India Limited and 1% held by Advanta Seed International Mauritius as at December 2010.
 - ix) Advanta Comerica De Sementes LTDA. wholly owned subsidiary of Advanta Holdings B.V. as at December 2010.
- (c) The Consolidated Financial Statements have been prepared in accordance with historical cost convention except for revaluation of land by a subsidiary company Pacific Seeds Pty Limited, Australia, and Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- (d) The Consolidated Financial Statements have been prepared on the following basis:
- i) All the subsidiaries of the Holding Company are incorporated outside India except Unicorn Seeds Private Limited and Advanta Seeds Limited. The activities of the subsidiaries are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates'. Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at December 31, 2010.
 - ii) All inter company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
 - iii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
 - iv) The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company i.e. December 31, 2010.

3. SIGNIFICANT ACCOUNTING POLICIES**(a) Accounting Assumptions**

The Consolidated Financial Statements have been prepared on accrual basis as a going concern on historical cost convention except for revaluation of land by a subsidiary company Pacific Seeds Pty Limited, Australia, to comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

(b) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Sale of Goods

The Group recognizes revenue when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customer. The sales are net of sales returns and expected sales returns.

Income from Services

The Group recognizes revenue from services as and when the services are rendered.

Interest

The Group recognizes revenue on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

The Group recognizes revenue when the shareholders' right to receive payment is established by the balance sheet date.

Royalty

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Others

In case of subsidiaries engaged in development of hybrid seeds, revenue earned (net of returns) is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

In case of companies engaged in investing activities, revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(d) Government Grants

Government grants received in the nature of Investment Subsidy are treated as Capital Reserve.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****(e) Fixed Assets**

Fixed assets are stated at cost (or revalued amounts as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

On such indication, the impairment loss (being the excess of carrying value over the recoverable value of the asset) is charged to the profit and loss account in the respective financial year. The impairment loss recognised in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

(g) Intangible Assets

Costs relating to all the intangible assets, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives not exceeding ten years.

(h) Depreciation and amortization**Depreciation****Holding Company**

Depreciation on building and plant and machinery is provided for in the accounts on straight line method in accordance with the rates prescribed in Schedule XIV of the Indian Companies Act, 1956. Depreciation on other assets is provided using straight line method as per useful life of the assets estimated by the Management or at the rates prescribed under Schedule XIV of the Indian Companies Act, 1956 whichever is higher.

The estimated useful lives of these assets are as under:

Asset class	Estimated useful lives in years
Furniture and Fixtures	10
Computers	5
Motor Vehicles	5
Office Equipments	10

Improvements to Lease hold property are depreciated over the period of lease.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Foreign Subsidiary

In case of subsidiaries, depreciation is provided on the Straight Line Method as per the useful lives of the assets as determined by the management. These rates are given below:

Asset Class	Estimated useful lives in years
Buildings	4 to 50
Plant and machinery	4 to 13
Furniture and Fixtures	5 to 10
Motor Vehicles	4 to 5
Computer	3 to 7

Unicorn Seeds Private Limited

Depreciation is provided on written down value method and the rates computed in accordance with Sec. 205(2)(b) of the Indian Companies Act, 1956 and in accordance with Schedule XIV of the Indian Companies Act, 1956.

Amortization

Costs relating to intangible assets, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives.

Asset Class	Estimated useful lives in years
Technical Know-how	10
Technology License Fees	5 to 10
Germ Plasm	10
Software	10
Project Sunsat	10
Trade Marks / Brands	10

Goodwill arising on acquisition of business is not amortized.

(i) Goodwill

Goodwill represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made. The goodwill is reviewed for impairment whenever events or changes in business circumstances indicate the carrying amount of assets may not be fully recoverable. If impairment is indicated, the goodwill is written down to its fair value.

(j) Leases

Where the Company is the Lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(k) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(l) Inventories

The method of valuation of various categories of inventories is as follows:

- (i) Store and Spares, Consumables and Packing material – Lower of cost and net realizable value. Cost is determined by weighted average method. In case of Pacific Seeds Pty Ltd., packing materials are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances.
- (ii) Raw Materials – Lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of Pacific Seeds Pty Ltd., raw materials, components, stores and spares are valued on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US Inc. and Unicorn Seeds Private Limited cost is determined on First in First out on specific identification basis.
- (iii) Work-in-progress and Finished Goods – Lower of cost and net realisable value. Work-in-progress comprises of cost of material and applicable overheads. In case of finished goods, the cost comprises of materials, direct labour and production overheads of the related crops. In case of finished goods, the cost is determined on standard cost basis in the Holding Company and in respect of other subsidiaries the cost is determined on absorption costing basis.
- (iv) Traded goods are valued at lower of cost or net realisable value.

(m) Foreign Currency Transactions**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

non-integral operations. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as a part of fixed asset.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

Translation of Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(n) Research and Development

Research and Development expenditure is charged to revenue in the year in which it is incurred.

In case of subsidiaries involved in development of hybrid seeds, development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward will be amortised over the period of expected future sales from the related project.

(o) Retirement and other employee Benefits

- (i) Retirement benefits in the form of Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions to the scheme are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Superannuation Fund scheme is funded with an insurance company in the form of a qualifying insurance policy.
- (ii) The Holding Company has a defined benefit gratuity plan. The Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each financial year.
- (iii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (iv) Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

(p) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****(q) Derivative Instruments**

Certain subsidiaries use derivative financial instruments such as forward exchange contracts to hedge their risks associated with foreign currency fluctuations. The premium on discount arising at the inception of forward exchange contracts is amortised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit/loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. The derivative contracts not covered under AS-11 are marked to market on portfolio basis and net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net Gains are ignored.

(r) Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current Income tax and Fringe benefit tax is determined based on the amount of tax payable in respect of taxable income for the year as per the laws of the respective countries. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax asset and deferred tax liabilities across various countries of operations are not set off against each other as the Company does not have legal right to do so.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(s) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financials statements.

(t) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

(u) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Employees Stock Option Plan (ESOP)

The Company instituted an Employees Stock Option Scheme ("ESOPS") for certain employees as approved by the shareholders on September 20, 2006. In accordance with the scheme, the Company granted options in respect of 136,479 equity shares to employees of the Company and its subsidiaries on one to one basis at an exercise price of Rs.285/- being the market price as per the valuation report from a Chartered Accountant on the date of grant. The options were granted with a vesting period spread over 4 years and 6 months. Out of the total options granted, vesting of 50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee.

As the intrinsic value (difference between Market price and Exercise price) on the date of the grant was nil, no compensation cost has been recognised in the financial statement. During the year 17,786 options have vested.

Date of Grant	September 27, 2006
Date of Board Approval	September 13, 2006
Date of Shareholders Approval	September 20, 2006
Number of options granted	136,479
Method of Settlement (Cash / Equity)	Equity
Vesting Period	Spread over 4 years and 6 months
Exercise Period	10 years
Vesting Conditions	50% of the options granted is conditional upon the Company meeting annual performance benchmarks based on parameters set by the Remuneration Committee

The details of the activity have been summarized below:

		As at 31st December,2010 (No. of equity shares)	As at 31st December,2009 (No. of equity shares)
Outstanding at the beginning of the year	(A1)	78,812	121,788
Exercisable at the beginning of the year	(A2)	58,284	28,051
Granted during the year	(B)	NIL	4,028
Forfeited during the year	(C)	9,838	11,289
Exercised during the year	(D)	10,351	4,979
Options lapsed during the year	(E)	17,839	-
Vested during the year	(F)	17,876	35,715
Options vested and outstanding during the year	(G)	7,525	32,895
Expired during the year	(H)	NIL	503
Outstanding at the end of the year	(I)=A1-C-E-F	33,259	78,812
Exercisable at the end of the year	(J) =A2- D+F-H	65,809	58,284

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****Stock options granted:**

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Current Year	Previous Year
Weighted average share price (Rs. per share)	285	285
Exercise Price (Rs. Per share)	285	285
Expected Volatility	43%	43%
Life of the options granted (Vesting and exercise period) in years	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%	Vesting period + 18 months i.e. 3 years, 4 years, 5 years, and 6 years, for each Vesting tranche of 25%
Expected Dividends	1.40% per annum	1.40% per annum
Average risk-free interest rate	7.50% per annum	7.50% per annum

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value method is as under:

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Net Profit/(Loss) as reported	(2,745.29)	2,705.03
Add - Employee stock compensation under intrinsic value method	-	-
Less - Employee stock compensation under fair value method	17.39	30.53
Proforma Profit/(Loss)	(2762.68)	2,674.50
Earnings per share (Rs.)		
Basic		
- as reported	(16.30)	16.06
- Proforma	(16.40)	15.88
Diluted		
- as reported	(16.15)	15.91
- Proforma	(16.26)	15.73

5. Contingent Liabilities

- i) Income tax matters of the Holding Company under dispute:
 - a) Pending with authorities at various levels - Rs.1,922.35 lacs (Previous Year: Rs.1,922.35 lacs) and
 - b) Estimated liability on the basis of past assessments in respect of pending assessment year - Rs.160.72 lacs (Previous Year: Rs.160.72 lacs).
- ii) Claims against the Holding Company not acknowledged as debts Rs. 8,019.59 lacs (Previous Year: Rs. 8,518.23 lacs) includes a claim of Rs.7,903.39 lacs made by a party which the Holding Company has disputed and has filed a counter claim against the said party for an amount of Rs. 2,739.07 lacs

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

- iii) Guarantee given by the Holding Company on behalf of Subsidiaries Company Rs.7,986.77 lacs (Previous Year: Rs. 3,542.10 lacs)
- iv) In case of Pacific Seeds Pty Ltd., Australia, the aggregate maximum amount payable to growers providing expected seed quality - Rs. 2,703.21 lacs (Previous Year: Rs. 3,052.12 lacs)
- v) Income tax matters of the Unicorn Seeds Pvt. Ltd. pending with authorities at various levels – Rs 80.28 lacs (Previous Year: Nil)
- vi) Claims against the Unicorn Seeds Pvt. Ltd. not acknowledged as debts Rs. 14.96 lacs (Previous Year: Rs. 6.36 lacs)

6. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) – Rs.116.99 lacs (Previous Year: Rs. 64.80 lacs)

7. Capital Reserve represents State Investment subsidy sanctioned by the Government of Andhra Pradesh, for setting up of a unit at Toopran Mandal, Andhra Pradesh under Target 2000 Scheme of the State Government.

8. The cost of raw materials, components, stores and spares and packing materials in case of Pacific Seeds Pty Ltd., Australia, is determined on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US Inc and Unicorn Seeds Private Limited cost is determined on a First-in-First out or specific identification basis. The cost of raw materials, components, stores and spares and packing materials in case of other subsidiary companies of the group is determined on weighted average basis.

The cost of finished goods in the case of the Holding Company is determined on a standard cost basis. These standards are reviewed regularly and adjusted for significant variances. In case of Advanta US Inc, Advanta Seed International and Unicorn Seeds Private Limited cost is determined on a First-in-First out or specific identification basis. The cost of finished goods in case of other subsidiary companies of the group is determined on weighted average basis.

The management considers it impracticable to use a uniform accounting policy for the valuation and to quantify the impact of the difference between such accounting policies. As at December 31, 2010, of the total value of raw materials, components, stores and spares and packing materials of Rs.11,400.63 lacs (Previous Year: Rs. 4,488.75 lacs), cost of inventories amounting to Rs. 842.80 lacs (Previous Year: Rs. 698.41 lacs) have been determined on standard cost and Rs.8,524.31 lacs (Previous Year: Rs. 1,759.56 lacs) have been determined on First-in-First out or specific identification basis, and of the total value of finished goods of Rs.16,718.32 lacs (Previous Year: Rs. 17,596.43 lacs) cost of inventories amounting to Rs. 4,199.16 lacs (Previous Year: Rs. 6,330.19 lacs) have been determined on standard cost basis

9. Director's Remuneration:

Particulars	Current Year (Rs in lacs)	Previous Year (Rs in lacs)
Salary	98.57	115.12
Perquisites	1.57	1.64
Contribution to Retirement Benefits	21.06	21.06
Total	121.20	137.82

As the liabilities for leave encashment and gratuity are provided on an actuarial basis for the company as a whole, the amounts pertaining to the director are excluded in above.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****10. Recognition of Deferred Tax Assets**

- (a) In case of Pacific Seeds Holdings (Thailand) Limited, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling THB 56,958 thousand (Rs.848.45 lacs) (Previous Year: Rs. 592.20 lacs) as on December 31, 2010 in the balance sheet and THB 14,567 thousand (Rs. 256.24 lacs) (Previous Year: Rs. 219.58 lacs) in the profit and loss account for the year ended on December 31, 2010, since the management is of the opinion that the said unused losses can be utilised.
- (b) During the year in case of Long reach Plant Breeders Management Pty Limited, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling AUD 2,288 thousand (Rs.1042.78 lacs) (Previous Year: Rs. 585.41 lacs) as on December 31, 2010 in the balance sheet and AUD 890 thousand (Rs.457.40 lacs) (Previous Year: Rs. 264.28 lacs) in the profit and loss account for the year ended on December 31, 2010, since the management is of the opinion that the said unused losses can be utilised.
- (c) During the year, in case of PT Advanta Seeds Indonesia, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling IDR 3,427.18 thousand (Rs.17.03 lacs) (Previous Year: 0.20 lacs) as on December 31, 2010 in the balance sheet and IDR 3,386.51 thousand (Rs.16.83 lacs) (Previous Year: 0.20 lacs) in the profit and loss account for the year ended on December 31, 2010, since the management is of the opinion that the said unused losses can be utilised.
- (d) During the year, in case of Advanta Comercio De Sementes Ltda, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling R\$ 140 thousand (Rs.37.73 lacs) (Previous Year: 23.18 lacs) as on December 31, 2010 in the balance sheet and R\$ 53 thousand (Rs.14.55 lacs) (Previous Year: 21.97 lacs) in the profit and loss account for the year ended on December 31, 2010, since the management is of the opinion that the said unused losses can be utilised.
- (e) During the year, in case of Pacific Seeds Pty Ltd, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling AUD \$ Nil, (Previous Year: Rs. 126.81 lacs) as on December 31, 2010 in the balance sheet and AUD \$ Nil (Previous Year Rs. 114.26 lacs) in the profit and loss account for the year ended on December 31, 2010, since the management is of the opinion that the said unused losses can be utilised.
- (f) During the year, in case of Advanta Semillas Argentina, the said Subsidiary Company has recognised deferred tax assets on the unused tax losses totaling USD \$ Nil, (Previous Year: Rs. 520.40 lacs) as on December 31, 2010 in the balance sheet and USD \$ Nil (Previous Year Rs. 532.62 lacs) in the profit and loss account for the year ended on December 31, 2010, since the management is of the opinion that the said unused losses can be utilised.

11. Consolidated Earnings Per Share**(A) Basic Earnings Per Share:**

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Net Profit / (Loss)	(2,745.29)	(2,705.30)
Weighted Average Number of Equity Shares outstanding	16,844,760	16,839,128
Basic Earnings per share (Rs.):	(10.00)	10.00
Nominal value of equity shares (Rs.)	(16.30)	16.06

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

(B) Diluted Earnings Per Share:

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Net Profit / (Loss)	(2,745.29)	(2,705.30)
Weighted Average Number of Equity Shares outstanding	16,844,760	16,839,128
Dilutive impact of employee stock options	150,511	160,862
Weighted Average Number of Equity Shares for computing diluted earning per share	1,69,95,271	1,69,99,990
Diluted Earnings per share (Rs.)	(16.15)	15.91
Nominal value of equity shares (Rs.)	10.00	10.00

Basic and Diluted earnings per share are calculated by dividing the net profit for the Year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

12. Leases

Operating Leases: The following assets were taken on operating lease by the Company

- Office Building (Global office) at Pacific Seeds Pty Limited;
- Vehicles, computers and fields at Advanta Semillas, Argentina;
- Office building and Warehouse at Pacific Seeds Thai Limited;
- Warehouse premises at PT Advanta Seeds, Indonesia;
- Office Premises at Advanta India Limited;

The lease term is in the range of 1 year to 30 years and thereafter renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is Rs. 2,318.49 lacs (Previous Year : Rs 1,612.95 lacs). The minimum lease rents payable from the date of the Balance Sheet date in respect of certain subsidiaries on operating and finance leases are as follows:

Particulars	As at December 31, 2010 (Rs. in lacs)	As at December 31, 2009 (Rs. in lacs)
(a) Obligations in case of operating leases:		
Not later than one year	1,832.67	1,471.09
Later than one year and not later than five years	2,857.96	3,256.06
More than five years	1,497.68	1,312.81
(b) Obligations in case of finance leases:		
Not later than one year	1.71	43.14
Later than one year and not later than five years	0.54	2.25
More than five year	-	-
Total lease payments as at the end of the year	2.25	45.39
Less: Amount representing finance charges	0	7.14
Present Value of minimum lease payments	-	38.25
Lease payments for the year	37.85	77.18

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

13. Derivative instruments and un-hedged foreign currency exposure

a) Derivative instruments - Forward contracts outstanding as at the Balance Sheet date

Nature of contract	Purpose	As at 31st December, 2010 Amount in lacs	As at 31st December, 2009 Amount in lacs
Buy	Hedge of expected future purchase	AUD 0.54 -	AUD 45.14 USD 10.76
Sell	Hedge of expected future sales	AUD 32.47 USD 24.54	AUD 139.81 USD 22.77

b) Particulars of un-hedged foreign currency exposure

Purpose	As at 31st December, 2010 Amount in lacs	As at 31st December, 2009 Amount in lacs
Sundry Creditors	USD 4.23 Euro 9.55 AUD 0.39 THB 3.00	USD 2.04 Euro 1.68 AUD 0.39 THB 3.00
Accrued Expenses	-	Euro 6.76
Interest Payable	Euro 34.14	Euro 35.35
Royalty Payable	-	USD 1.00
Loans Payable	Euro 136.21 USD 8.42 AUD 0.10	Euro 136.21 - AUD 70.48
Expenses Payable	Euro 10.42	-
Sundry Debtors	USD 5.71 Euro 1.31	USD 3.65 Euro 0.09
Loans Receivable	- - -	AUD 90.89 USD 87.59 THB 375.00
Other Receivable	USD 5.18	USD 4.03
Interest receivable	-	USD 0.29
Dividend receivable	USD 2.50	USD 5.00
Investments	USD 0.99 Euro 623.95	USD 0.99 Euro 601.45

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

14. Provisions

Particulars	Litigations		Milestone Provision *	
	As at 31st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)	As at 31st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
Opening Balance	33.07	2,706.20	2556.52	2,643.80
Additions during the year	41.96	338.36	-	-
Amounts used during the year	-	(2,950.03)	(1,087.30)	(377.39)
Reversal during the year	-	-	(650.00)	-
Exchange difference on translation	(20.87)	(6,146.02)	92.31	(290.12)
Unused amounts reversed during the year	-	-	-	-
Closing Balance	72.94	33.07	911.53	2,556.52

* Provision for Milestone Payments

- 1) The Company had entered into a business purchase agreement (BPA) on January 4, 2008 with the erstwhile promoters of Unicorn Seeds Private Limited (USPL) for acquisition of their entire shareholding in USPL. Pursuant to the BPA, the Company had recognized a provision of Rs. 1,000 lacs for milestone payable on achievement of certain targets upto June 30, 2010. Subsequent to the year-end, the Company has executed a Letter of Intent as a part of the settlement with erstwhile promoters of USPL, pursuant to which payment to the extent of Rs. 650 lacs has been agreed. Accordingly, the Company has recorded an adjustment in the current financial statements of write back of the said liability being no longer payable of Rs. 350 lacs, with corresponding reduction in the carrying value of investment in USPL. The agreement between the erstwhile promoters and the Company is to be executed.
- 2) Unicorn Seeds Private Limited pursuant to business purchase agreement (BPA) dated January 4, 2008 with the erstwhile promoters of the Rasa Agrotech Private Limited (RAPL) for acquisition of their entire business in RAPL. Pursuant to the BPA, the Company had recognized a provision of Rs. 300 lacs for milestone payable on achievement of certain targets upto June 30, 2010. Subsequent to the year-end, the Company has executed a Letter of Intent as a part of the settlement with erstwhile promoters of RAPL, pursuant to which no payment is agreed to be made. Accordingly, the Company has recorded an adjustment in the current financial statements of write back of the said liability being no longer payable of Rs. 300 lacs, with corresponding reduction in the carrying value of the goodwill. The agreement between the erstwhile promoters and the Company is to be executed.
- 3) Pacific seeds Pty Ltd on acquisition of Longreach plant Breeders Management Pty Ltd. had recognised AUD 5 Million which is to be paid to Syngenta in five equal installments of AUD 1 mn each in the financial years 2008 to 2012. As on date liability towards milestone is Rs. 911.53 lacs (AUD 2 mn) to be paid in the financial years 2011 to 2012 in equal installments.

15. Share issue Expenses:

Up to December 31, 2010, the Company has incurred Rs. 53.21 lacs in connection with the proposed rights issue of its equity shares. This amount shall be adjusted against securities premium arising from the proposed rights issue of equity shares, as permitted under section 78 of the Companies Act, 1956. Accordingly, this amount has been carried forward and disclosed separately under the head 'Miscellaneous Expenditure' in the Balance Sheet.

SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS****16. Segment Information**

Segment information has not been given as the management is of the view that the said information would be prejudicial to the interest of the group.

17. Research and Development

Particulars	As at 31st December, 2010 (Rs. in lacs)	As at 31st December, 2009 (Rs. in lacs)
Capital expenditure	121.30	324.59
Revenue expenditure	6,623.20	5,013.15

18. Related Party Transactions**I. Nature of relationship****A. Enterprises over which the enterprise or key management personnel and their relatives have significant influence:**

Sr. No	Name of the Company
1	United Phosphorus Limited (UPL)
2	Bio-win Corporation Limited (BWC), Mauritius
3	United Phosphorus Limited Gibraltar (UPLG)
4	United Phosphorus Holdings BV. (UPH)
5	Nippon UPL KK (Nippon)
6	Reposo SAIC (Reposo)
7	Icona SAIC (Icona)
8	Uniphos Enterprises Limited (UEL)
9	Jai Research Foundation (JRF)
10	PT United Phosphorus , Indonesia (UPI)
11	United Phosphorus Mexico SA De CV
12	United Phosphorus Inc

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

B. Key Management Personnel and their relatives

V.R. Kaundinya (Managing Director – Advanta India Limited)

Chris Bazley (CEO Director – Pacific Seeds Pty Limited)

Norman Davey (Director – Pacific Seeds Pty Limited) (1.1.2010 to 24.12.2010)

Jocelyn Davey (relative of Director – Pacific Seeds Pty Limited) (1.1.2010 to 24.12.2010)

Vikram Shroff (Director)

Manoj Gupta (Director)

John Bloomer (Director)

Stephen Lonie (Director)

Pacholk Pongpanich (Managing Director – Pacific Seeds Thai Limited)

Yongyut Pansung (Director - Pacific Seeds Thai Limited)

Transactions during the year

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
i) Sales of Goods		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPL	9,468.13	9,909.19
UPI	(92.34)	308.01
ii) Royalty Income		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPH	-	301.37
UPLG	660.30	821.98
iii) Business Development Fees		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPLG	684.75	1,022.16
iv) Commission Received		
Enterprises over which the enterprise or the key management and their relatives have significant influence :		
UPL	2.81	38.71

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
v) Purchases of Goods		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence : UPL	9.44	34.98
vi) Purchase of Services:		
Enterprise over which the enterprise or the key management personnel and their relatives have significant influence: Reposo SAIC UPI	- 69.98	26.09 312.62
vii) Purchase of Intangible Assets:		
Enterprise over which the enterprise or the key management personnel and their relatives have significant influence: UPLG	1,331.62	325.75
viii) Interest Expense		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence: BWC UPH UPL	45.87 164.01 294.36	261.85 1,158.16 173.05
ix) Advance Booking Discounts		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence: UPL	521.09	587.18
x) Rent Expenses		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence : JRF	5.38	3.28

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
xi) Expenses incurred for		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPL	-	108.15
JRF	19.54	17.17
UP Mexico	100.09	-
UPLG	-	64.71
xii) Reimbursement of Expenses Received		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPL	-	591.06
xiii) Loan Taken		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPL	20,385.00	12,600.00
Non-Convertible Debentures - UPL	37,500.00	-
Reposo	-	139.03
Icona	-	1.84
xiv) Loan repaid during the year		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPL	21,574.64	15,363.41
UPH	15,922.39	-
BWC	4,584.35	1,552.62
xv) Loan payable		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
BWC	-	5,413.55
UPL	-	1,189.65
Non-Convertible Debentures - UPL	37,500.00	-
UPLH	-	17,847.86
xvi) Commercial Paper		
Enterprises over which the enterprise or the key management personnel and their relatives have significant influence :		
UPL	-	2,000.00

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
xvii) Balance receivable by the Company		
JRF	85.00	85.00
UPI	208.85	301.50
UPLG	1,331.62	742.63
UPL	1,756.22	1,975.76
Nippon	-	-
xviii) Balance payable by the Company		
BWC	5.09	18.04
JRF	64.63	41.22
UPLG	1,331.62	325.75
UPL	749.32	316.55
UPLH	-	1,062.11
Reposo	-	361.59
UEL	-	157.40
Icona	-	1.84
UPI	11.50	-
xix) Remuneration		
Key Management Personnel	500.53	527.46
Relative of Key Management Personnel	108.15	96.24

19) Details of Employee Benefits – Gratuity

i) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Profit and Loss account

Net employee benefit expenses (recognized in Employee Cost)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Current service cost	50.51	42.16
Interest cost on benefit obligation	31.24	31.22
Expected return on plan assets	(3.10)	(3.69)
Net actuarial loss/(gain) recognised during the Year	66.60	153.22
Net Benefit expense	145.25	222.91
Actual return on plan assets	-	-

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

Balance Sheet

(Rs. in lacs)

Details of Provision for gratuity	As at 31st December, 2010	As at 31st December, 2009
Defined Benefit obligation	680.94	548.10
Fair value of plan assets	(19.17)	(38.68)
Plan Liability	661.77	509.42

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in lacs)

	As at 31st December, 2010	As at 31st December, 2009
Opening defined benefit obligation	548.10	343.69
Interest Cost	31.25	31.22
Current service cost	50.51	42.16
Liability transfer in	-	-
Exchange difference on translation	21.98	(1.73)
Benefits paid	(37.72)	(18.72)
Actuarial (gains)/loss on obligation	66.82	151.48
Closing defined benefit obligation	680.94	548.10

Changes in the fair value of Plan Assets are as follows:

(Rs. in lacs)

	As at 31st December, 2010	As at 31st December, 2009
Opening fair value of plan assets	38.68	31.28
Expected return	3.09	3.69
Contributions made by employer during the Year	5.49	24.17
Assets transfer in	-	-
Benefits paid	(28.31)	(18.72)
Actuarial gains/ (loss)	0.22	(1.74)
Closing fair value of plan assets	19.17	38.68

(Rs. in lacs)

Expected contribution to defined benefit plan for the year	36.78	25.24
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SCHEDULE 21 (Continued)**NOTES TO CONSOLIDATED ACCOUNTS**

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	As at 31st December, 2010	As at 31st December, 2009
Insurer Managed Funds (LIC)	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in the expected rate of return on assets due to the improved stock market scenario.

The principal actuarial assumptions at the Balance Sheet date

	As at 31st December, 2010	As at 31st December, 2009
Discount rate	4.00% to 8.50 %	4.75% to 8.25 %
Expected rate of return on plan assets	8.00 %	8.00 %
Expected rate of salary increase	0.00% to 6.00 %	4.00% to 6.00 %
Employee Turnover	2.00 %	2.00 %

Experience adjustment for current year for gratuity:

(Rs. in lacs)

	Current Year	Previous Year
On plan assets loss / (gain)	19.46	10.91
On plan liabilities gain /(loss)	0.22	13.84

ii) Defined Contribution Plans

Amount of Rs.609.23 lacs (Previous Year: Rs. 595.09 lacs) is recognised as an expense and included in Schedule Q – ‘Contribution to Provident and Other Funds’ in the Profit and Loss account

20. Exceptional Item: Pacific Seeds Pty Limited**Employee Redundancy cost:**

During the current year, pursuant to the announcement of redundancy of certain employment positions in accordance with the redundancy policy, the Company terminated the services of 27 employees. The amount paid to such employees towards severance payments aggregated to INR 1362.50 lacs (AUD \$ 31.16 lacs) which has been included as “Exceptional Items” in the current financial statements.

SCHEDULE 21 (Continued)

NOTES TO CONSOLIDATED ACCOUNTS

21. Prior Period Items:

Particulars	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
Reversal of tax provision	(48.19)	-
Tax Advisory fees	-	(249.81)
Insurance expenses	-	(4.32)
Employee medicare Taxes	-	(34.38)
Price Variance	(192.06)	(14.14)
Purchase of Chemicals	(0.94)	-

22. Acquisition during the year

On January 31, 2010, Advanta U.S. Inc. (100% subsidiary of the Company) had acquired the net assets of Crosbyton Seed Co., Inc. a breeder, producer and conditioner of hybrid sorghum planting seed products including grain sorghum, forage sorghum, millet, and also sunflower.

The aggregate consideration was Rs. 6,582.12 lacs (US \$14.20 Mn), including Rs. 6,303.93 lacs (US \$13.60 Mn) of cash and retainage of Rs. 278.19 lacs (US \$0.60 Mn) related to a non-compete agreement. The value of the assets acquired was determined at fair value.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

Particulars	Rs. in lacs	US \$ (Mn)
Accounts receivable	176.23	0.38
Inventory	3,980.35	8.55
Property and equipment	989.22	2.13
Goodwill	4,202.05	9.03
Other acquisition expenses	9.95	0.02
Liabilities assumed	(2,479.86)	(5.33)
Net Assets acquired	6,877.95	14.78

SIGNATURE TO SCHEDULE 1 TO 21

As per our Report of even date

For S. R. BATLIBOI & ASSOCIATES

Firm Registration Number : 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership Number.: 41870

Place : Hyderabad

Date : February 28, 2011

For and on behalf of the Board of

Advanta India Limited

Vikram R. Shroff

Director

Manoj Gupta

Chief Financial Officer

Place : Hyderabad

Date : February 28, 2011

V. R. Kaundinya

Managing Director

Pushpalatha K

Company Secretary



Advanta India Limited

Registered office: Krishnama House, #8-2-418, 4th Floor, Road No. 7, Banjara Hills, Hyderabad – 500034.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slip at the venue of the meeting

DP Id*	
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Master Folio No.	
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Client Id*	
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No. of Shares	
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NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Members of the Company held on Friday, April 29, 2011 at 11.30 a.m. at “Earthen Oven” Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034.

* Applicable for investor holding shares in electronic form

Member's/Proxy signature



PROXY FORM

Advanta India Limited

Registered office: Krishnama House, #8-2-418, 4th Floor, Road No. 7, Banjara Hills, Hyderabad – 500034.

DP Id*	
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Master Folio No.	
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Client Id*	
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No. of Shares	
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I/We _____ of _____ in the district of _____ being a member/members of Advanta India Limited hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 17th ANNUAL GENERAL MEETING of the Members of the Company to be held on Friday, April 29, 2011 at 11.30 a.m. at “Earthen Oven” Fortune Park Vallabha, Road No. 12, Banjara Hills, Hyderabad – 500034. and at any adjournment thereof.

Signed this.....day of.....2011.

Revenue Stamp

Signature

Note: (1) This Proxy Form in order to be effective should be duly filled in stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.
(2) No gifts will be distributed at the meeting.



A UPL GROUP COMPANY